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Rules of Governmental Agencies

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111 East Monroe Street
Springfield, IL 62756
(217) 782-7017
<http://www.sos.state.il.us>

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Editor's Note: The Cumulative Index and Sections Affected Index will be printed on a quarterly basis. The printing schedule for the quarterly and annual indexes are as follows:

April 18, 1997 - Issue 16: Through	March 31, 1997
July 18, 1997 - Issue 29: Through	June 30, 1997
October 17, 1997 - Issue 42: Through	September 30, 1997
January 16, 1998 - Issue 3: Through	December 31, 1997 (Annual)

INTRODUCTION

The *Illinois Register* is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category. The Register also contains a Cumulative Index listing alphabetically by agency the Parts (sets of rules) on which rulemaking activity has occurred in the current Register volume year and a Sections Affected Index listing by Title each Section (including supplementary material) of a Part on which rulemaking activity has occurred in the current volume year. Both indices are action coded and are designed to aid the public in monitoring rules.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State statute; and activities (meeting agendas, Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State agencies; is also published in the Register.

The Register is a weekly update to the *Illinois Administrative Code* (a compilation of the rules adopted by State agencies). The most recent edition of the Code along with the Register comprise the most current accounting of State agencies' rules.

The Illinois Register is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1 et seq.].

REGISTER PUBLICATION SCHEDULE 1997

Material Rec'd after Noon on:	And before Noon on:	Will be in Issue #:	Published on:	Material Rec'd after Noon on:	And before Noon on:	Will be in Issue #:	Published on:
Dec. 24, 1996	Dec. 31, 1996	1	Jan. 3, 1997	July 1, 1997	July 8, 1997	28	July 11, 1997
Dec. 31, 1996	Jan. 7, 1997	2	Jan. 10, 1997	July 8, 1997	July 15, 1997	29	July 18, 1997
Jan. 7, 1997	Jan. 14, 1997	3	Jan. 17, 1997	July 15, 1997	July 22, 1997	30	July 25, 1997
Jan. 14, 1997	Jan. 21, 1997	4	Jan. 24, 1997	July 22, 1997	July 29, 1997	31	Aug. 1, 1997
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Jan. 28, 1997	Feb. 4, 1997	6	Feb. 7, 1997	Aug. 5, 1997	Aug. 12, 1997	33	Aug. 15, 1997
Feb. 4, 1997	Feb. 11, 1997	7	Feb. 14, 1997	Aug. 12, 1997	Aug. 19, 1997	34	Aug. 22, 1997
Feb. 11, 1997	Feb. 18, 1997	8	Feb. 21, 1997	Aug. 19, 1997	Aug. 26, 1997	35	Aug. 29, 1997
Feb. 18, 1997	Feb. 25, 1997	9	Feb. 28, 1997	Aug. 26, 1997	Sept. 2, 1997	36	Sept. 5, 1997
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Mar. 4, 1997	Mar. 11, 1997	11	Mar. 14, 1997	Sept. 9, 1997	Sept. 16, 1997	38	Sept. 19, 1997
Mar. 11, 1997	Mar. 18, 1997	12	Mar. 21, 1997	Sept. 16, 1997	Sept. 23, 1997	39	Sept. 26, 1997
Mar. 18, 1997	Mar. 25, 1997	13	Mar. 28, 1997	Sept. 23, 1997	Sept. 30, 1997	40	Oct. 3, 1997
Mar. 25, 1997	Apr. 1, 1997	14	Apr. 4, 1997	Sept. 30, 1997	Oct. 7, 1997	41	Oct. 10, 1997
Apr. 1, 1997	Apr. 8, 1997	15	Apr. 11, 1997	Oct. 7, 1997	Oct. 14, 1997	42	Oct. 17, 1997
Apr. 8, 1997	Apr. 15, 1997	16	Apr. 18, 1997	Oct. 14, 1997	Oct. 21, 1997	43	Oct. 24, 1997
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Apr. 22, 1997	Apr. 29, 1997	18	May 2, 1997	Oct. 28, 1997	Nov. 4, 1997	45	Nov. 7, 1997
Apr. 29, 1997	May 6, 1997	19	May 9, 1997	Nov. 4, 1997	Nov. 10, 1997*	46	Nov. 14, 1997
May 6, 1997	May 13, 1997	20	May 16, 1997	Nov. 10, 1997*	Nov. 18, 1997	47	Nov. 21, 1997
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May 20, 1997	May 27, 1997	22	May 30, 1997	Nov. 25, 1997	Dec. 2, 1997	49	Dec. 5, 1997
May 27, 1997	June 3, 1997	23	June 6, 1997	Dec. 2, 1997	Dec. 9, 1997	50	Dec. 12, 1997
June 3, 1997	June 10, 1997	24	June 13, 1997	Dec. 9, 1997	Dec. 16, 1997	51	Dec. 19, 1997
June 10, 1997	June 17, 1997	25	June 20, 1997	Dec. 16, 1997	Dec. 23, 1997	52	Dec. 26, 1997
June 17, 1997	June 24, 1997	26	June 27, 1997	Dec. 23, 1997	Dec. 30, 1997	1	Jan. 2, 1998
June 24, 1997	July 1, 1997	27	July 7, 1997*	Dec. 30, 1997	Jan. 6, 1998	2	Jan. 9, 1998

Please note: When the Register deadline falls on a State holiday, the deadline becomes 4:30 p.m. on Monday (the day before).

* Monday

ILLINOIS COMMERCE COMMISSION

NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Telecommunications Enforcement

- 2) Code Citation: 83 Ill. Adm. Code 766

- 3) Section Numbers: Proposed Action:

766.10 New Section
766.15 New Section
766.100 New Section
766.110 New Section
766.300 New Section
766.310 New Section
766.400 New Section
766.410 New Section
766.415 New Section

- 4) Statutory Authority: Implementing Sections 13-515 and 13-516 and authorized by Section 13-512 of the Public Utilities Act (220 ILCS 5/13-515, 13-516, and 13-512).

- 5) A. Complete Description of the Subjects and Issues Involved: On July 23, 1997, the Governor signed into law P.A. 90-185, amending the Public Utilities Act (PUA), the Illinois Administrative Procedure Act, and the Illinois Antitrust Act. The Public Act adds Sections 13-514, 13-515, and 13-516, among others, to the PUA. Emergency rules have been adopted to implement these three Sections.

Section 13-514 lists specified actions that are considered to be per se impermissible to the development of competition in the telecommunications marketplace. The Commission is not limited in any manner to the actions specified. The Commission may consider other actions that impede competition to be prohibited.

Section 13-515 empowers the Commission to enforce the provisions of Section 13-514 of the PUA. This Section delineates the procedures to be followed by the Commission, the complainant, and the respondent in proceedings in which a violation of Section 13-514 is alleged. Section 13-515(e) provides for granting of emergency relief in certain situations. There are time limits specified in Section 13-515 for actions by the Commission and the parties to an enforcement proceeding.

Section 13-516 authorizes the Commission to impose penalties for violation of orders entered pursuant to Section 13-515 of the PUA and directs the Commission to establish by rule procedures for the imposition of penalties.

Given the stringent time constraints in Section 13-515, the rules adopted on an emergency basis provide an opportunity for the parties and the Commission to waive these time limits pursuant to Section 13-515(a), which

ILLINOIS COMMERCE COMMISSION

NOTICE OF PROPOSED RULES

- provides in relevant part:

Unless the Commission and the parties otherwise mutually agree, the Commission shall use the procedures set forth in this Section for the review of complaints relating to violations of Section 13-514.

The rules also specify filing requirements designed to provide the Commission with timely information on the positions of the parties so that the time limits, if not waived, can be met and allow the Commission to make an informed decision in the covered proceedings.

Subpart D of the rules covers the assessment of costs and the imposition of penalties. Section 13-515(g) requires the Commission to assess the parties the Commission's costs of investigation and conduct of the proceedings. The Commission's Administrative Services Division will issue subpoenas to parties to the proceedings. Parties are required to pay the costs of the proceedings within 60 days of receiving notice of the assessment. The final portions of Subpart D treat the imposition of the penalties by delineating procedural matters and listing the factors that the Commission will consider in setting a penalty.

- 6) Will these proposed rules replace emergency rules currently in effect? Yes

- 7) Does this rulemaking contain an automatic renewal date? No

- 8) Do these proposed rules contain incorporations by reference? No

- 9) Are there any other proposed amendments pending on this Part? No

- 10) Statement of Statewide Policy Objectives: These rules neither create nor expand any State mandate on units of local government, school districts, or community college districts.

- 11) Time, Place, and Manner in which interested persons may comment on this rulemaking: Comments should be filed with:

Donna M. Caton
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
P.O. Box 19280
Springfield, IL 62794-9280
Tel: (217) 785-3922
Fax: (217) 544-9280

Comments should be filed with the Chief Clerk within 45 days after the date of this issue of the *Illinois Register*.

ILLINOIS COMMERCE COMMISSION

NOTICE OF PROPOSED RULES

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: These rules will affect those telecommunications carriers that are also small businesses as defined in the Illinois Administrative Procedure Act. These rules will not affect any small municipalities or not for profit corporations that are not also telecommunications carriers.

B) Reporting, bookkeeping or other procedures required for compliance: Filing procedures

C) Types of professional skills necessary for compliance: Legal skills and managerial skills.

13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: The Commission did not anticipate the need for these rules, which are implementing a Public Act that became effective after the filing date for the most recent agenda.

The full text of the Proposed Rules is identical to the text of Emergency Rules for this Part appearing on page _____ of this issue of the Illinois Register:

13180

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

1) Heading of the Part: Cost Containment Form and Data Reporting Requirements

2) Code Citation: 50 Ill. Adm. Code 4202

3) Section Number: Proposed Action:

4202.10 Repealed

4202.20 Repealed

4202.APPENDIX A Repealed

4202.APPENDIX B Repealed

4202.APPENDIX C Repealed

4202.APPENDIX D Repealed

4202.APPENDIX E Repealed

4202.APPENDIX F Repealed

4202.APPENDIX G Repealed

4202.APPENDIX H Repealed

4202.APPENDIX I Repealed

4202.APPENDIX J Repealed

4202.APPENDIX K Repealed

4202.APPENDIX L Repealed

4202.APPENDIX M Repealed

4) Statutory Authority: Implementing and authorized by Section 1204 of the Illinois Insurance Code [215 ILCS 5/1204].

5) A Complete Description of the Subjects and Issues Involved: Part 4202 is being repealed and will be replaced by Part 4203. Part 4203 contains new filing requirements that will clarify the filing instructions, eliminate much of the data reporting currently required by Part 4202 and will reduce the filing requirement to once a year.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This repealer will not necessitate that local government establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

David Van Lieshout
 Assistant Chief Counsel
 Department of Insurance
 320 West Washington
 Springfield, IL 62767
 (217) 782-2867

Mary Meyer
 Paralegal
 Department of Insurance
 320 West Washington
 Springfield, IL 62767
 (217) 782-4220

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included in either the 2002 or 2003 Regulatory Agenda because the Department did not anticipate the need to repeal this entire Part and promulgate a new rule under Part 4203.

The full text of the Proposed Repealer begins on the next page:

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

TITLE 50: INSURANCE
 CHAPTER 11: DEPARTMENT OF INSURANCE
 SUBCHAPTER VV: INSURANCE COST CONTAINMENT

PART 4202

COST CONTAINMENT FORM AND DATA REPORTING REQUIREMENTS (REPEALED)

- Section
 4202.10 Purpose and Scope
 4202.20 Recording Procedures
 APPENDIX A GENERAL SUBMISSION GUIDELINES
 APPENDIX B REPORTING PERIODS, FILE LAYOUTS AND RECORD FORMATS
 APPENDIX C ANNUAL REPORTING
 APPENDIX D SEMI-ANNUAL REPORTING
 APPENDIX E GENERAL CODING CONVENTIONS - PREMIUMS
 APPENDIX F GENERAL CODING CONVENTIONS - LOSSES
 APPENDIX G GENERAL LIABILITY CLASS CODES
 APPENDIX H MEDICAL MAINTENANCE CLASS/CODING GROUPS
 APPENDIX I COMMERCIAL AUTOMOBILE LIABILITY CLASS GROUPS - EXCLUDING PERSONAL INJURY PROTECTION (PIPS)
 APPENDIX J PRIVATE PASSENGER AUTO CLASSIFICATIONS
 APPENDIX K BUSINESS OWNERS CLASSIFICATIONS
 APPENDIX L HOMEOWNER CLASSIFICATIONS
 APPENDIX M SPECIAL CLASSIFICATIONS APPLICABLE TO EXCESS INSURANCE

AUTHORITY: Implementing and authorized by Section 1204 of the Illinois Insurance Code [215 ILCS 5/1204].

SOURCE: Adopted at 15 Ill. Reg. 15438, effective October 11, 1991; amended at 13 Ill. Reg. 15023, effective November 7, 1995; recodified at 20 Ill. Reg. 6590; repealed at 21 Ill. Reg. _____, effective _____.

Section 4202.10 Purpose and Scope

The purpose of this Part is to establish form and data reporting requirements for the specific information required to be reported to the Director of Insurance by Section 1204 (A)-(D) of the Illinois Insurance Code (Ill. Reg. Stat. 1989, ch. 73, par. 1065.904 (A)-(D)) and to establish the medium upon which such information shall be transmitted to the Director. The reporting and medium requirements are contained in Appendices A-M. This Part shall apply to each company licensed to write property or casualty insurance in this State pursuant to Section 4, Class 2 (a)-(1) and Class 3 (b)-(1) of the Illinois Insurance Code (Ill. Reg. Stat. 1989, ch. 73, par. 616).

Section 4202.20 Recording Procedures

- a) Scope of Procedure

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NOTICE OF PROPOSED REPEALER

These procedures are applicable to all direct property and liability business written by insurers licensed by the State of Illinois. Each insurer shall report their business written separately for Illinois and country-wide (including Illinois) for each line, subline or class specified by this part. Where zip code reporting is required, each line, subline or class shall be reported separately for each zip code. Zip code reporting shall be required for Illinois personal lines business only.

- b) Submission of Data
 - 1) Annual reporting of data shall be in accordance with Appendix C.
 - 2) Annual reporting of data shall be in accordance with Appendix D.
 - 3) Companies required to report country-wide data shall be required to report detailed data on a country-wide basis if the insurer is in the 90th percentile of the total country-wide written premium for the business line within which such detailed classifications are found.
- c) Methods of Compiling Annual Experience

Experience for each class or type of business required shall be provided for the applicable statistical methods described in Appendix C. The statistical period(s) for reporting each type or class of business shall be specified in the prescribed reporting formats.

 - 1) Accident Year

A comparison of the incurred losses on claims occurring in a twelve month period with the exposures and premiums earned in the same period.
 - 2) Policy Year

A comparison of the incurred losses occurring under policies having inception dates in a given calendar year with the exposures and premiums on such policies.
 - 3) Calendar Year

A comparison of the incurred losses during a given twelve month period with the exposures and premiums earned in the same period.
- d) Recording of Statistics

Insurers may use any method for the recording of statistics, including any type of record format convenient to their statistical or accounting procedures, provided that statistics shall be reported by the insurer within the required time using the codes and record format provided in Appendix B and C-H.
- e) Preparation and Submission of Reports
 - 1) Insurers may report statistics directly through an advisory organization. Advisory organizations reporting data for more than one insurer shall report class data separately for each insurer represented.
 - 2) The reports of premiums and the reports of losses and loss adjustment expenses shall be reported in the record formats prescribed in Appendix B.
 - 3) The filing of statistics shall be accompanied by a transmittal

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letter showing summary totals for each line of business even if the amount is zero and shall be in agreement with the records of the insurer for the period covered. The totals shall also include, by line of business, the amount net of corrections made in the quarter.

- 4) Prior to submission of statistics, the insurer shall audit the statistics being reported to detect and correct any errors in the assignment of statistical classifications.
- 5) Prior to requiring any supporting statistical data, the Director shall provide the insurer with a letter giving the details for the supporting statistical data. The letter will be issued to the insurers on or before September 1 of each year. The requested data shall be submitted within 90 days of the receipt of the request.
- 6) If an insurer finds that it has no data to report please use Appendix B. "Additional comments if necessary for clarification" to explain that the company has no data to report for this filing.
- f) Reinsurance

Reinsurance statistics shall be reported for direct business only. Therefore, the reports of statistics shall not include premiums received from or losses paid to other insurers because of the reinsurance assumed by the reporting insurers; nor, shall any deductions be made by the reporting insurers for premiums ceded to or losses recovered from other insurers because of the reinsurance ceded.
- g) Correction of Errors

Corrections of errors in the reporting of statistics shall be made by reporting the corrected data in the reporting quarter in which the error corrections are made.
- h) Reporting Dates and Amounts
 - 1) When reporting dates, use year and reporting quarter format (YQ).
 - 2) When reporting exposure, premium and loss amounts, all values shall be prefaced by a separate field for the sign ("+" = positive and "-" = negative). All numeric fields shall be right justified with leading zeros and contain all zeros if no amount is to be reported.
- i) Reporting of Premiums

The premium reported shall be the premium charged for the policies written. Premiums for reinsurance contracts shall be reported as cessions. Premiums for reinsurance contracts shall be reported separately. Premium for excess limits is defined as that premium charged for coverage in excess of the primary policy limits added by a different policy. For example, umbrella policy or through an endorsement to the policy. Premiums shall be reported on both a written and earned basis.
- j) Reporting of Exposures

The number of written exposures shall be separately reported for each

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type or class of business required. If any reported exposure base differs from that prescribed by the Director, that exposure base shall be clearly defined.

- k) Separate fields shall be provided for both paid losses and outstanding losses. Where required, fields shall be provided for paid allocated loss adjustment expense and outstanding allocated loss adjustment expense.
- l) Special requests made by the Director pursuant to Ill. Rev. Stat. 1989, ch. 73, par. 1065.904(D) shall contain detailed instructions for the submission, formatting and due dates of reports.
- m) Reporting Excess Losses
 - 1) Losses covered by an excess policy shall be reported separately in the same manner as is described in subsection (k) of this Section. An excess loss is defined as a loss resulting in an incurred cost to the insurer in excess of the primary policy limits and covered by a different policy or an endorsement to the policy. For unallocated losses, the excess policy shall be reported as an excess policy or by an excess limits endorsement.
 - 2) Definition of allocated loss adjustment expenses for the purpose of this Part
 - 3) Allocated loss adjustment expenses for the purpose of this Part represent the expenses of an insurer, in connection with claim settlements, that are directly allocated to a particular claim.
 - 4) Three Year Prepaid Policies
 - a) Premiums for three year prepaid policies shall be reported as three separate annual policies.
 - b) Other Prepaid Policies
 - 1) The procedures outlined in subsection (n) above apply to other policies not having a one year term with proper recognition of the policy term and using a pro rata allocation formula. In all cases policy periods shall be annual or less.
 - 2) Treatment of installment payments on an installment basis shall be reported as three separate annual policies.
 - 3) Treatment of Charge Premiums
 - a) Installment Charge Premiums resulting from the application of installment charges shall be reported as premium.
 - b) Divisible Package Policies
 - n) Report premiums separately by each classification used in developing the total package premium.
 - o) Rounding Rule
 - 1) Rounding shall be accomplished by dropping 1 through 49 cents, and by increasing and decreasing the dollar amount by 1 (depending on whether the amount is positive or negative) for 50 through 99 cents.

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Section 4202.APPENDIX A GENERAL SUBMISSION GUIDELINES

a) Data Collection Information

- 1) Data may be submitted only on diskette beginning with the filing date and thereafter.
- 2) Diskettes shall conform to the procedure contained in Section 4202-20. Failure to comply with these specifications shall subject the insurer to those penalties and procedures contained in Section 1204 of the Illinois Insurance Code (215 ILCS 5/1204).
- b) Guidelines for Data Collection
 - 1) Insurers are responsible for developing or obtaining any software required to convert and/or translate their internal file structures and formats to those prescribed by this Part.
- c) Data Format Aspects
 - 1) To simplify aspects of the data collection process, data and file formats for diskettes shall consist of common American Standard Code for Information Interchange (ASCII) representation.
 - 2) File Description and Reporting Requirements
 - a) All amounts must be reported in whole dollars, with no reporting of cents.
 - b) Each line item required to be filed shall be a separate record. Multiple records for the same "Filing Method" code number (filer) will no longer be accepted. Multiple records will be rejected as edit errors and the entire filing will be returned for correction.
 - c) The sign for all amount (numeric) fields shall be carried separately from the number. The sign shall precede the number and shall be represented as positive (+) or negative (-).
 - d) All alpha and alphanumeric fields shall be left-justified. Do not zero-fill blank characters.
 - e) All numeric fields shall be zero-filled and right-justified.
 - f) Fields which are not required for a line shall be zero-filled.
 - g) Rounding Rule - Rounding shall be accomplished by dropping, increasing and decreasing the dollar amount by 1 (depending on whether the amount is positive or negative) for 50 through 99 cents.
 - h) Filing Types - The initial filing is the first filing by an insurer for any of the three filings (February, August and November) for a year. An amended filing is used when any portion of the initial filing was in error. An amended filing must contain all information, not just the data that was in error. A refiling is required when the insurer and/or software produced results that were not acceptable. The refiling must contain all information required by this Part. Refer to File Structures and Naming Conventions in subsection (h) and (i) of this Appendix.
 - i) Records due on February 1, August 1 and November 1, respectively, shall be submitted on separate diskette(s).

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- e) Diskette Size and Density
1) Diskette(s) submitted to the Illinois Department of Insurance shall be IBM compatible, 3 1/2 inch diskettes. Diskette density shall be specified on the external diskette label. Diskettes will not be returned.
2) The Department shall develop and is making available an edit program for use on the Illinois Department of Insurance Cost Containment Section. Insurers shall run their ASCII file data against this edit program prior to submitting the diskette.
f) Insurer Responsibilities
It is the responsibility of the insurer to meet all of the Illinois Department of Insurance guidelines for data submission. The insurer shall be held accountable for continued compatibility and compliance with the requirements of this Part.

g) Diskette File Structures and Naming Conventions

- 1) Each diskette submitted to the Illinois Department of Insurance shall contain one physical file. Physical files that span multiple diskettes shall be logically continued. A file on one diskette may terminate (end of file mark) at the end of any line and the records on the physical file on subsequent diskette(s) shall continue from the records on the physical file of the previous diskette.
2) Records due on February 1, August 1, and November 1, respectively, must be submitted on separate diskette(s).
3) A diskette file name shall be made up of two portions, a date name and an extension. The date name references the filing and the extension references the type of filing.
4) The date name of each file on diskette is:
A) February 1 and August 1 filing:
1) IQYYqmm: where YY is the reporting year, qq is the reporting quarters (12 or 34), mm is the physical file sequence number.
i) Examples:
"IA900001" - File Name = "IA900101" - File Name = "IA900103" - File Name = "IA900103"

B) November 1 filing:

- 1) IAYYmmnn: where YY is the reporting year, mnn is the physical file sequence number.
i) Examples:
Diskette Number 1 - File Name = "IA900001"
Diskette Number 3 - File Name = "IA900003"

- 5) The extension name of each file on diskette is data portion .xxx

DEPARTMENT OF INSURANCE

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where xxx is the type of filing. Acceptable extensions are INT for initial filings, AMO for amended filings and REF for refilings. Refer to File Description and Reporting Requirements, subsection (d)(8) of this appendix. For example, diskette number 12890001INT - be clearly identified by external labels containing all of the following information:

- A) Company Name
B) Company NAIC and FEIN Number
C) Diskette No. ____ of ____ (i.e., Diskette No. 2 of 4)
D) Diskette Density (i.e., 360 KB or 1.2 MB - 3 1/2 inch)
E) Filing Date
F) Diskette Contact Person and Telephone Number
G) Type (i.e., INT, AMO, REF)
H) File Name
h) Mailing Requirements
1) The diskette(s) submissions shall include a completed diskette transmittal form and certification.
2) The diskette(s) shall be enclosed in rigid protective packaging that will prevent bending and other destructive exposures.
3) The diskette(s) shall be clearly labeled to indicate computer diskette(s) are enclosed.
4) Address submission to:
Illinois Department of Insurance
Cost Containment Section
SB1200 Data Unit
320 West Washington
Springfield, Illinois 62767
i) Diskette Format and Certification

Name of Insurer _____

IL Co. # _____ Date ____/____/____ FEIN ____-____-____

NAIC Group # _____ NAIC Company # _____

This format is required for all transmittals. Be sure to respond to all questions below and to provide all required information. Any additional comments that may help to identify the diskette/data contents should be supplied.

- | | | | |
|---|-------|-------|-------|
| | Feb. | Aug. | Nov. |
| 1. Is this the initial filing? (Y/N) | _____ | _____ | _____ |
| 2. Is this a refiling? (Y/N) | _____ | _____ | _____ |
| 3. If yes, date(s) of filing(s) to be replaced? | _____ | _____ | _____ |

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

4. Is this an amended filing? (Y/N) _____
5. If yes, date(s) of filing(s) to be replaced? _____

Additional comments if necessary for clarification: _____

Diskette Contact: _____

Phone: _____

Address: _____

Attach a copy of this external label of the diskette(s) to the back of this form.

The undersigned hereby certifies that, to the best of my knowledge, this submission was prepared in compliance with the Illinois Department of Insurance specifications.

(Signed) _____

Type Name and Title _____

(Source: Amended at 19 Ill. Reg. 15625, effective November 7, 1995)

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Section 4202.APPENDIX B REPORTING PERIODS, FILE LAYOUTS AND RECORD FORMATS

Reporting Line/Period	Cal. Yr. Prem.	Cal. Yr. Loss	Policy Yr. Prem.	Policy Yr. Loss	Acc. Yr. Loss	Ill. Co. Wide
Qtrly. G.L. Rptng.	X					X
Qtrly. Med. Mal.	X					X
Qtrly. Comm. Auto	X					X
Qtrly. H.O.	X					X
Qtrly. P.P. Auto	X					X
Annual G.L. Rptng.			X	X		X
Annual Med. Mal.			X	X		X
Annual Comm. Auto	X				X	X
Annual B.O. Rptng.	X				X	X
Annual P. Auto	X	X3			X	X
Ann. Ex. Ins. Rptng.	X ¹		X ²	X ²	X ¹	X
Annual H.O. Opt. 1	X	X				X
Annual H.O. Opt. 2	X				X	X
Zip Code (Where Required. See Line/Item Matrix.)	X					X

1 personal and commercial auto lines excess or umbrellas

2 general liability lines excess or umbrellas

3 private passenger auto - physical damage

4 private passenger auto - liability

DEPARTMENT OF INSURANCE
NOTICE OF PROPOSED REPEALER

Line/Item Matrix
Premium

Position/Data Element	Picture	G.I.	Med. Mal.	Comm. Auto	Pers. Auto	Home-Owners	Business Owners	Excess Ins.
1. NAIC #	5 A/N	yes	yes	yes	yes	yes	yes	yes
2. NAIC Group	3 A/N	yes	yes	yes	yes	yes	yes	yes
3. FEIN	9 A/N	yes	yes	yes	yes	yes	yes	yes
4. Filing Method	1 A/N	yes	yes	yes	yes	yes	yes	yes
5. Prem./Loss Indicator	1 A/N	yes	yes	yes	yes	yes	yes	yes
6. Accounting Date	3 A/N	yes	yes	yes	yes	yes	yes	yes
7. Experience Method	1 A/N	yes	yes	yes	yes	yes	yes	yes
8. State/Company-wide	2 A/N	yes	yes	yes	yes	yes	yes	yes
9. Line of Business	1 A/N	yes	yes	yes	yes	yes	yes	yes
10. Form Type	1 A/N	yes	yes	yes	yes	yes	yes	yes
11. Class	6 A/N	yes	yes	yes	yes	yes	yes	yes
12. Zip Code	5 N	no	no	no	yes	yes	no	no
13. Stat. Data Year	2 N	yes	yes	yes	yes	yes	yes	yes
14a. Exposure Sign	1 Sign	yes	yes	yes	yes	yes	no	no
14b. Written Exposure	12 N	yes	yes	yes	yes	yes	no	no

Line/Item Matrix

Premium

Position/Data Element	Picture	G.I.	Med. Mal.	Comm. Auto	Pers. Auto	Home-Owners	Business Owners	Excess Ins.
5a. W. Premium Sign	1 Sign	yes	yes	yes	no	yes	yes	yes
5b. Written Premium	12 N	yes	yes	yes	no	yes	yes	yes
6a. E. Premium Sign	1 Sign	yes	yes	yes	no	yes	yes	yes
6b. Earned Premium	12 N	yes	yes	yes	no	yes	yes	yes
7a. BI or Comp. W. Premium Sign	1 Sign	no	no	no	yes	no	no	no
7b. BI or Comp. Written Prem.	12 N	no	no	no	yes*	no	no	no
8a. BI or Comp. Prem. Sign	1 Sign	no	no	no	yes	no	no	no
8b. BI or Comp. Earned Prem.	12 N	no	no	no	yes*	no	no	no
9a. PD or Coll. W. Prem. Sign	1 Sign	no	no	no	yes	no	no	no
9b. PD or Coll. Written Prem.	12 N	no	no	no	yes	no	no	no
10a. PD or Coll. Prem. Sign	1 Sign	no	no	no	yes	no	no	no
10b. PD or Coll. Earned Prem.	12 N	no	no	no	yes	no	no	no
11a. UN W. Prem. Sign	1 Sign	no	no	no	yes	no	no	no

DEPARTMENT OF INSURANCE
NOTICE OF PROPOSED REPEALER

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Line/Item Matrix

Premium	Position/Data Element	Med. G.L.	Comm. Mal.	Auto	Pers. Auto	Home-Owners	Business Owners	Excess Ins.
1f. UM Written Premium	12 N	no	no	no	yes ¹	no	no	no
4a. UM Earned Prem. Sign	1 Sign/ no	no	no	no	yes ¹	no	no	no
2f. UM Earned Premium	12 N	no	no	no	yes ²	no	no	no

Note: Medical payments premium shall be included with the BI premiums reported. Single limit policies shall have all premiums reported in the BI premium element. UM premium shall be split when possible; however, until October 11, 1994 for advisory organizations reporting on behalf of insurance companies may report UM premium as a separate record using only the line of business indicator and as an aggregate for the whole of the State of Illinois.

¹ = Alphabetic

² = Numeric

³ = Liability On-ly

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Line/Item Matrix

Loss

Position/Data Element	Picture	G.L.	Med. Mal.	Comm. Auto	Pers. Auto	Home-Owners	Business Owners	Excess Ins.
1. NAIC #	5 A/N	yes	yes	yes	yes	yes	yes	yes
2. NAIC Group	3 A/N	yes	yes	yes	yes	yes	yes	yes
3. FEIN	9 A/N	yes	yes	yes	yes	yes	yes	yes
4. Filing Method	1 A/N	yes	yes	yes	yes	yes	yes	yes
5. Prem./Loss Indicator	1 A/N	yes	yes	yes	yes	yes	yes	yes
6. Accounting Date	3 A/N	yes	yes	yes	yes	yes	yes	yes
7. Experience Method	1 A/N	yes	yes	yes	yes	yes	yes	yes
8. State/Company-wide	2 A/N	yes	yes	yes	yes	yes	yes	yes
9. Line of Business	1 A/N	yes	yes	yes	yes	yes	yes	yes
10. Form Type	1 A/N	yes	yes	yes	yes	yes	yes	yes
11. Class	6 A/N	yes	yes	yes	yes	yes	yes	yes
12. Stat. Data Year	2 N	yes	yes	yes	yes	yes	yes	yes
13. Type of Loss	1 A/N	no	no	no	yes	no	no	no
14a. Paid Loss Sign	1 Sign	yes	yes	yes	yes	yes	yes	yes

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Line/Item Matrix

Loss

Position/Data Element	Picture	G.L.	Med. Mal.	Comm. Auto	Pers. Auto	Hone-Owners	Business Owners	Excess Ins.
14b. Paid Loss Amount	12 N	yes	yes	yes*	yes*	yes	yes*	yes*
15a. O/S Loss Sign	1 Sign	yes	yes	yes ²	yes ²	yes	yes	yes
15b. Outstanding Loss	12 N	yes	yes	yes*	yes ²	yes	yes*	yes*
16a. Paid Allocated Loss Expense Sign	1 Sign	yes	yes	yes	yes ³	no	yes	yes
16b. Paid Allocated Loss Expense Amount	12 N	yes	yes	yes	yes ³	no	yes	yes
17a. O/S Allocated Loss Expense Sign	1 Sign	yes	yes	yes	yes ³	no	yes	yes
17b. O/S Allocated Loss Expense Amount	12 N	yes	yes	yes	yes ³	no	yes	yes
18a. Paid # Sign	1 Sign	yes	yes	yes	yes	yes	yes	yes
18b. Paid #	8 N	yes	yes	yes	yes	yes	yes	yes
19a. O/S # Sign	1 Sign	yes	yes	yes	yes	yes	yes	yes
19b. O/S #	8 N	yes	yes	yes	yes	yes	yes	yes
20. Filler	51 A/N	no	no	no	no	no	no	no

For these lines (commercial auto, private passenger auto, excess insurance and business owners) allocated loss adjustment expense shall be included in paid and outstanding losses.

= Beginning 01/01/93

= Liability Only

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Record Format - Premium (General Liability)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Contract Type
28-33	Pic X(6)	Class
34-38	Pic X(5)	N/A (Zero-fill)
39-40	Pic X(2)	Statistical Data Year
41	Pic X(1)	Sign Field
42-53	Pic X(12)	Exposure
54	Pic X(1)	Sign Field
55-66	Pic X(12)	Written Premium
67	Pic X(1)	Sign Field
68-79	Pic X(12)	Earned Premium
80	Pic X(1)	N/A (Zero-fill)
81-92	Pic X(12)	N/A (Zero-fill)
93	Pic X(1)	N/A (Zero-fill)
94-105	Pic X(12)	N/A (Zero-fill)
106	Pic X(1)	N/A (Zero-fill)
107-118	Pic X(12)	N/A (Zero-fill)
119	Pic X(1)	N/A (Zero-fill)
120-131	Pic X(12)	N/A (Zero-fill)
132	Pic X(1)	N/A (Zero-fill)
133-144	Pic X(12)	N/A (Zero-fill)
145	Pic X(1)	N/A (Zero-fill)
146-157	Pic X(12)	N/A (Zero-fill)

Record Format - Premium (Medical Malpractice)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier

DEPARTMENT OF INSURANCE
NOTICE OF PROPOSED REPEALER

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Statistical Data Year
34-38	Pic X(5)	Exposure
39-40	Pic X(2)	Sign Field
41	Pic X(1)	Class
42-53	Pic X(12)	Written Premium
54	Pic X(1)	Sign Field
55-66	Pic X(12)	Earned Premium
67	Pic X(1)	Sign Field
68-79	Pic X(12)	PD Earned Premium
80	Pic X(1)	Sign Field
81-92	Pic X(12)	*BI Written Premium
93	Pic X(1)	Sign Field
94-105	Pic X(12)	*BI Earned Premium
106	Pic X(1)	Sign Field
107-118	Pic X(12)	PD Written Premium
119	Pic X(1)	Sign Field
120-131	Pic X(12)	*UM Written Premium
132	Pic X(1)	Sign Field
133-144	Pic X(12)	*UM Earned Premium
145	Pic X(1)	Sign Field
146-157	Pic X(12)	*UM Written Premium

Record Format - Premium (Commercial Auto)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Statistical Data Year
34-38	Pic X(5)	Exposure
39-40	Pic X(2)	Sign Field
41	Pic X(1)	Class
42-53	Pic X(12)	Written Premium
54	Pic X(1)	Sign Field
55-66	Pic X(12)	Earned Premium
67	Pic X(1)	Sign Field
68-79	Pic X(12)	PD Earned Premium
80	Pic X(1)	Sign Field

DEPARTMENT OF INSURANCE
NOTICE OF PROPOSED REPEALER

Column #	Picture Clause	Value
81-92	Pic 9(12)	N/A (Zero-fill)
93	Pic X(1)	N/A (Zero-fill)
94-105	Pic 9(12)	N/A (Zero-fill)
106	Pic X(1)	N/A (Zero-fill)
107-118	Pic 9(12)	N/A (Zero-fill)
119	Pic X(1)	N/A (Zero-fill)
120-131	Pic 9(12)	N/A (Zero-fill)
132	Pic X(1)	N/A (Zero-fill)
133-144	Pic 9(12)	N/A (Zero-fill)
145	Pic X(1)	N/A (Zero-fill)
146-157	Pic 9(12)	N/A (Zero-fill)

Record Format - Premium (Personal Auto) Liability

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Statistical Data Year
34-38	Pic X(5)	Exposure
39-40	Pic X(2)	Sign Field
41	Pic X(1)	Class
42-53	Pic 9(12)	N/A (Zero-fill)
54	Pic X(1)	N/A (Zero-fill)
55-66	Pic 9(12)	N/A (Zero-fill)
67	Pic X(1)	N/A (Zero-fill)
68-79	Pic 9(12)	N/A (Zero-fill)
80	Pic X(1)	Sign Field
81-92	Pic X(12)	*BI Written Premium
93	Pic X(1)	Sign Field
94-105	Pic 9(12)	*BI Earned Premium
106	Pic X(1)	Sign Field
107-118	Pic 9(12)	PD Written Premium
119	Pic X(1)	Sign Field
120-131	Pic 9(12)	*UM Written Premium
132	Pic X(1)	Sign Field
133-144	Pic 9(12)	*UM Earned Premium
145	Pic X(1)	Sign Field
146-157	Pic 9(12)	*UM Written Premium

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NOTICE OF PROPOSED REPEALER

*Note: Medical payments premium shall be included with the BI premiums reported. Single limit policies shall have all premium reported in the BI premium element. UM premium should be split when possible; however, for a period not to exceed three (3) years from the effective date of this Part, advisory organizations reporting on behalf of insurance companies may report UM premium as a separate record using only the line of business indicator and as an aggregate for the whole of the State of Illinois.

Record Format - Premium (Personal Auto) Physical Damage

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-38	Pic X(5)	N/A (Zero-fill)
39-40	Pic X(2)	Statistical Data Year
41	Pic X(1)	N/A (Zero-fill)
42-53	Pic X(12)	N/A (Zero-fill)
54	Pic X(1)	Sign Field
55-66	Pic X(12)	Written Premium
67	Pic X(1)	Sign Field
68-79	Pic X(12)	Earned Premium
80	Pic X(1)	N/A (Zero-fill)
81-92	Pic X(12)	N/A (Zero-fill)
93	Pic X(1)	N/A (Zero-fill)
94-105	Pic X(12)	N/A (Zero-fill)
106	Pic X(1)	N/A (Zero-fill)
107-118	Pic X(12)	N/A (Zero-fill)
119	Pic X(1)	N/A (Zero-fill)
120-131	Pic X(12)	N/A (Zero-fill)
132	Pic X(1)	N/A (Zero-fill)
133-144	Pic X(12)	N/A (Zero-fill)
145	Pic X(1)	N/A (Zero-fill)
146-157	Pic X(12)	N/A (Zero-fill)

Record Format - Premium (Business Owners)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-38	Pic X(5)	N/A (Zero-fill)
39-40	Pic X(2)	Statistical Data Year
41	Pic X(1)	N/A (Zero-fill)
42-53	Pic X(12)	N/A (Zero-fill)
54	Pic X(1)	Sign Field
55-66	Pic X(12)	Written Premium
67	Pic X(1)	Sign Field
68-79	Pic X(12)	Earned Premium
80	Pic X(1)	N/A (Zero-fill)
81-92	Pic X(12)	N/A (Zero-fill)
93	Pic X(1)	N/A (Zero-fill)
94-105	Pic X(12)	N/A (Zero-fill)
106	Pic X(1)	N/A (Zero-fill)
107-118	Pic X(12)	N/A (Zero-fill)
119	Pic X(1)	N/A (Zero-fill)
120-131	Pic X(12)	N/A (Zero-fill)
132	Pic X(1)	N/A (Zero-fill)
133-144	Pic X(12)	N/A (Zero-fill)
145	Pic X(1)	N/A (Zero-fill)
146-157	Pic X(12)	N/A (Zero-fill)

Record Format - Premium (Homeowners)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

Column #	Picture Clause	Value
28-33	Pic X(6)	Class
34-38	Pic 9(5)	Statistical Data Year
39-40	Pic 9(2)	Sign Field
41	Pic X(1)	Exposure
42-53	Pic 9(12)	Sign Field
54	Pic X(1)	Written Premium
55-66	Pic 9(12)	Sign Field
67	Pic X(1)	Sign Field
68-79	Pic 9(12)	Earned Premium
80	Pic X(1)	N/A (Zero-fill)
81-92	Pic 9(12)	N/A (Zero-fill)
93	Pic X(1)	N/A (Zero-fill)
94-105	Pic 9(12)	N/A (Zero-fill)
106	Pic X(1)	N/A (Zero-fill)
107-118	Pic 9(12)	N/A (Zero-fill)
119	Pic X(1)	N/A (Zero-fill)
120-131	Pic 9(12)	N/A (Zero-fill)
132	Pic X(1)	N/A (Zero-fill)
133-144	Pic 9(12)	N/A (Zero-fill)
145	Pic X(1)	N/A (Zero-fill)
146-157	Pic 9(12)	N/A (Zero-fill)
Record Format - Premium (Excess Insurance)		
Column #	Picture Clause	Value
1-5	Pic X(5)	N/AIC Number
6-8	Pic X(3)	N/AIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic 9(2)	Statistical Data Year
36	Pic X(1)	Sign Field
37	Pic X(1)	Exposure
38-49	Pic 9(12)	Sign Field
50	Pic X(1)	Sign Field
51-62	Pic 9(12)	Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic 9(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field
77-88	Pic 9(12)	O/S Allocated Loss Expense
89	Pic X(1)	Sign Field
90-97	Pic 9(8)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic 9(8)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)
Record Format - Loss (Medical Malpractice)		
Column #	Picture Clause	Value
1-5	Pic X(5)	N/AIC Number
6-8	Pic X(3)	N/AIC Group #
9-17	Pic X(9)	FEIN Number

DEPARTMENT OF INSURANCE

NOTICE OF PROPOSED REPEALER

94-105	Pic 9(12)	N/A (Zero-fill)
106	Pic X(1)	N/A (Zero-fill)
107-118	Pic 9(12)	N/A (Zero-fill)
119	Pic X(1)	N/A (Zero-fill)
120-131	Pic 9(12)	N/A (Zero-fill)
132	Pic X(1)	N/A (Zero-fill)
133-144	Pic 9(12)	N/A (Zero-fill)
145	Pic X(1)	N/A (Zero-fill)
146-157	Pic 9(12)	N/A (Zero-fill)
Record Format - Loss (General Liability)		
Column #	Picture Clause	Value
1-5	Pic X(5)	N/AIC Number
6-8	Pic X(3)	N/AIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic 9(2)	Statistical Data Year
36	Pic X(1)	Sign Field
37	Pic X(1)	Exposure
38-49	Pic 9(12)	Sign Field
50	Pic X(1)	Sign Field
51-62	Pic 9(12)	Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic 9(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field
77-88	Pic 9(12)	O/S Allocated Loss Expense
89	Pic X(1)	Sign Field
90-97	Pic 9(8)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic 9(8)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)
Record Format - Loss (Medical Malpractice)		
Column #	Picture Clause	Value
1-5	Pic X(5)	N/AIC Number
6-8	Pic X(3)	N/AIC Group #
9-17	Pic X(9)	FEIN Number

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NOTICE OF PROPOSED REPEALER

18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic X(2)	Statistical Data Year
36	Pic X(1)	N/A (Zero-fill)
37	Pic X(1)	Sign Field
38-49	Pic X(12)	Paid Loss
50	Pic X(1)	Sign Field
51-62	Pic X(12)	Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic X(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field
77-88	Pic X(12)	O/S Allocated Loss Expense
89	Pic X(1)	Accounting Date
90-97	Pic X(12)	Sign Field
98	Pic X(1)	Form Type
99-106	Pic X(6)	Class
107-157	Pic X(51)	N/A (Zero-fill)

Record Format - Loss (Commercial Auto)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic X(2)	Statistical Data Year
36	Pic X(1)	Type of Loss
37	Pic X(1)	Sign Field
38-49	Pic X(12)	*Paid Loss
50	Pic X(1)	Sign Field
51-62	Pic X(12)	*Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic X(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field

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77-88	Pic X(12)	O/S Allocated Loss Expense
89	Pic X(1)	Sign Field
90-97	Pic X(12)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic X(6)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)

*Note: Allocated loss adjustment expense may be included in paid and outstanding losses.

Record Format - Loss (Personal Auto)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Experience Method
24-25	Pic X(2)	State Identifier
26	Pic X(1)	Line of Business
27	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic X(2)	Statistical Data Year
36	Pic X(1)	Type of Loss
37	Pic X(1)	Sign Field
38-49	Pic X(12)	*Paid Loss
50	Pic X(1)	Sign Field
51-62	Pic X(12)	*Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic X(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field
77-88	Pic X(12)	O/S Allocated Loss Expense
89	Pic X(1)	Sign Field
90-97	Pic X(12)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic X(6)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)

*Note: Allocated loss adjustment expense may be included in paid and outstanding losses.

Record Format - Loss (Business Owners)

Column #	Picture Clause	Value
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Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Paid #
24-25	Pic X(2)	Experience Method
26	Pic X(1)	State Identifier
27	Pic X(1)	Line of Business
28	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic X(2)	Statistical Data Year
36	Pic X(1)	N/A (Zero-fill)
37	Pic X(1)	Sign Field
38-49	Pic X(12)	*Paid Loss
50	Pic X(1)	Sign Field
51-62	Pic X(12)	*Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic X(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field
77-88	Pic X(12)	O/S Allocated Loss Expense
89	Pic X(1)	Sign Field
90-97	Pic X(8)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic X(8)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)

Record Format - Loss (Homeowner)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	Paid #
24-25	Pic X(2)	Experience Method
26	Pic X(1)	State Identifier
27	Pic X(1)	Line of Business
28	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic X(2)	Statistical Data Year
36	Pic X(1)	N/A (Zero-fill)
37	Pic X(1)	Sign Field
38-49	Pic X(12)	Paid Loss
50	Pic X(1)	Sign Field
51-62	Pic X(12)	Outstanding Loss

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Column #	Picture Clause	Value
63	Pic X(1)	N/A (Zero-fill)
64-75	Pic X(12)	N/A (Zero-fill)
76	Pic X(1)	N/A (Zero-fill)
77-88	Pic X(12)	N/A (Zero-fill)
89	Pic X(1)	Sign Field
90-97	Pic X(8)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic X(8)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)

Record Format - Loss (Excess Insurance)

Column #	Picture Clause	Value
1-5	Pic X(5)	NAIC Number
6-8	Pic X(3)	NAIC Group #
9-17	Pic X(9)	FEIN Number
18	Pic X(1)	Filing Method
19	Pic X(1)	Premium/Loss Indicator
20-22	Pic X(3)	Accounting Date
23	Pic X(1)	O/S Allocated Loss Expense
24-25	Pic X(2)	Experience Method
26	Pic X(1)	State Identifier
27	Pic X(1)	Line of Business
28	Pic X(1)	Form Type
28-33	Pic X(6)	Class
34-35	Pic X(2)	Statistical Data Year
36	Pic X(1)	N/A (Zero-fill)
37	Pic X(1)	Sign Field
38-49	Pic X(12)	*Paid Loss
50	Pic X(1)	Sign Field
51-62	Pic X(12)	*Outstanding Loss
63	Pic X(1)	Sign Field
64-75	Pic X(12)	Paid Allocated Loss Expense
76	Pic X(1)	Sign Field
77-88	Pic X(12)	O/S Allocated Loss Expense
89	Pic X(1)	Sign Field
90-97	Pic X(8)	Paid #
98	Pic X(1)	Sign Field
99-106	Pic X(8)	O/S #
107-157	Pic X(51)	N/A (Zero-fill)

*Note: Allocated loss adjustment expense may be included in paid and outstanding losses.

(Source: Amended at 19 Ill. Reg. 15625, effective November 7, 1995)

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Section 4202.APPENDIX C ANNUAL REPORTING

- a) Each report shall include a first report for the latest experience year and where applicable an update for all previous experience years. The latest experience year for each experience method is defined as follows:

Experience Method	Latest Experience Year
1) Policy Year	Current reporting year minus three
2) Accident Year	Current reporting year minus two
3) Calendar Year	Current reporting year minus one

- b) Annual reports shall be due on or before November 1 of each year. These reports shall include:

Experience Method

Line	Premiums	Losses
1) General Liability	Policy Year	Policy Year
2) Excess Insurance	Policy Year	Policy Year
3) Medical Malpractice	Policy Year	Policy Year
4) Commercial Auto Liability	Calendar Year	Accident Year
5) Excess Insurance	Calendar Year	Accident Year
6) Private Passenger Auto Liability	Calendar Year	Accident Year
7) (Voluntary Business Only)	Calendar Year	Accident Year
8) Business Owner Policies	Calendar Year	Accident Year
9) Homeowner (Including Residential Fire)	Calendar Year	Accident Year
Private Passenger Auto Physical Damage	Calendar Year	Calendar Year
(Voluntary Business Only)	Calendar Year	Calendar Year

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Section 4202.APPENDIX D SEMI-ANNUAL REPORTING

- Semi-annual reports shall be due on or before February 1st and August 1st of each year. These reports shall include:

Experience Method

Line	Premiums Only
1) General Liability	Calendar Year
2) Medical Malpractice	Calendar Year
3) Commercial Auto Liability	Calendar Year
4) Private Passenger Auto Liability and Physical Damage	Calendar Year
5) Homeowners	Calendar Year

- a) The February 1st report shall include the first quarter and second quarter of the latest experience year and shall report each of these quarters separately from the other. The August 1st report shall include the third quarter and fourth quarter of the latest experience year and shall report each of these quarters separately from the other. (For "latest experience year" see Appendix C, subsection (a).)
- b) The semi-annual reports shall include data relating only to Illinois businesses and shall include both premium and exposure information.
- c) Occurrence forms and claims-made forms data shall be reported separately.
- d) Data is required on an aggregate classification basis by each individual insurer. For purposes of this Part, each insurer shall maintain supporting statistical data for a minimum of five years from the date the report is filed with the Department in compliance with this Part.

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Section 4202. APPENDIX E GENERAL CODING CONVENTIONS - PREMIUMS

Coding Conventions - Field Names and Definitions

Premium - General Provisions

- a) NAIC Number - The NAIC number field is a five character alphanumeric field. It reflects the number assigned the insurer by the National Association of Insurance Commissioners (NAIC).
- b) NAIC Group Number - The NAIC group number field is a three character alphanumeric field. It reflects the number assigned the insurers group by the NAIC.
- c) FEIN Number - The FEIN field is a nine character alphanumeric field. It reflects the Federal Employer Identification Number assigned to the insurer (report at users option - this number will be required when adopted by the NAIC).
- d) Filing Method - The filing method field is a one character alphanumeric field. It identifies the source of the data as either an advisory organization or an insurance company.
 - 1) "1" = American Association of Insurance Services (AAIS)
 - 2) "2" = Insurance Services Office, Inc. (ISO)
 - 3) "3" = National Association of Independent Insurers (NAII)
 - 4) "4" = National Independent Statistical Service (NISS)
 - 5) "5" = Company Direct
- e) Premium/Loss Indicator - This is a one character alphanumeric field. It identifies the record as either a premium record or a loss record.
 - 1) "P" = Premium
 - 2) "L" = Loss

f) Accounting Date - The Accounting Date is a three character alphanumeric field. The first two digits reflect the last two digits of the reporting year and the last digit reflects the reporting quarter (Format YYQ).

- 1) "1" = First Quarter
- 2) "2" = Second Quarter
- 3) "3" = Third Quarter
- 4) "4" = Fourth Quarter
- 5) "5" = Annual

g) Experience Method - This is a one character alphanumeric field. It designates the experience method for the date reported.

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- 1) "C" = Calendar Year
- 2) "P" = Policy Year
- b) State Identifier - This is a two character alphanumeric field. It distinguishes Illinois-only data from country-wide data (country-wide data includes Illinois data).
 - 1) "12" = Illinois
 - 2) "99" = Country-Wide (Including Illinois)
- i) Line of Business - The Line of Business is a one character alphanumeric field. The code identifies the general business line to which the classification belongs and is used in the transmittal letter referenced in subsection 4202.20(e)(3) of this Part for summary totals.
 - 1) "1" = General Liability/Excess Insurance
 - 2) "2" = Medical Malpractice
 - 3) "3" = Commercial Auto/Excess Insurance
 - 4) "4" = Private Passenger Auto - Liability
 - 5) "5" = Homeowners
 - 6) "6" = Business Owners Policy (Indivisible Packages Only)
 - 7) "7" = Private Passenger Auto - Physical Damage

j) Form Type - There are three different record types:

- 1) "C" = Claims-Made
- 2) "X" = Occurrence
- 3) "T" = Claims-Made Tail Coverage

k) Classification Code - The classification code is a six character alphanumeric field. The codes to be used are specified by the classifications provided. (See Appendices G through M for specific class codes.)

l) Zip Code - The Zip Code is a five character numeric field. Zip code filing shall be required for private passenger auto and homeowners (including residential fire) only. Zip code identification is required only on quarterly premium filing.

m) Statistical Data Year - The statistical data year is a two character alphanumeric field. It reflects the last two digits of the experience year (Format YY).

n) Premium/Exposure Amounts and Signs

- 1) Sign Field - This sign field shall contain the sign and shall precede the 12 digit amount field. It is represented as positive

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- (+) or negative (-).
- 2) Premiums and Exposures - The Exposure and Premium field shall contain a twelve (12) character numeric amount and shall be zero-filled, right-justified. The number shall not contain a decimal point or commas.
 - o) 1) Sign Field - See subsection (n)(1) above.
 - 2) Written Exposure - See 14(b) above. (See Appendices A, B, G, H, I, and K for exposure base class codes.)
 - p) 1) Sign Field - See subsection (n)(1) above.
 - 2) Written Premium - See subsection (n)(2) above. (Breakdown of written premium where needed will be specified in the data formats and will be unique within line of business.)
 - q) 1) Sign Field - See subsection (n)(1) above.
 - 2) Earned Premium - See subsection (n)(2) above. (Breakdown of earned premium where needed will be specified in the data formats and will be unique within line of business.)

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Section 4202. APPENDIX F GENERAL CODING CONVENTIONS - LOSSES

Coding Conventions - Field Names and Definitions

Losses - General Provisions

- a) NAIC Number - The NAIC number field is a five character alphanumeric field. It reflects the number assigned the insurer by the National Association of Insurance Commissioners (NAIC) hereafter.
- b) NAIC Group Number - The NAIC group number field is a three character alphanumeric field. It reflects the number assigned to the insurers group by the NAIC.
- c) FEIN Number - The FEIN field is a nine character alphanumeric field. It reflects the Federal Employer Identification Number assigned to the insurer (report at users option - this number will be required when adopted by the NAIC).
- d) Filing Method - The filing method field is a one character alphanumeric field. It identifies the submission source of the data and indicates that source as being either an advisory organization or an insurance company.
 - 1) "1" = AAIS
 - 2) "2" = ISO
 - 3) "3" = NAI
 - 4) "4" = NISS
 - 5) "5" = Company Direct
- e) Premium/Loss Indicator - This is a one character alphanumeric field. It identifies the record as either a premium record or a loss record.
 - 1) "P" = Premium
 - 2) "L" = Loss
- f) Accounting Date - The accounting date is a three character alphanumeric field. The first two digits reflect the last two digits of the reporting year and the last digit reflects the reporting quarter (Format YYQ).
 - 1) "1" = First Quarter
 - 2) "2" = Second Quarter
 - 3) "3" = Third Quarter
 - 4) "4" = Fourth Quarter
 - 5) "5" = Annual
- g) Experience Method - This is a one character alphanumeric field. It

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designates the experience method for the data reported.

- 1) "A" = Calendar/Accident Year
- 2) "C" = Calendar Year
- 3) "P" = Policy Year

b) State Identifier - This is a two character alphanumeric field. It distinguishes Illinois-only data from country-wide data (country-wide data includes Illinois data).

- 1) "12" = Illinois
- 2) "99" = Country-wide (including Illinois)

i) Line of Business - The line of business is a one character alphanumeric field. The code identifies the general business line to which the classification belongs and is used in the transmittal letter required by Section 4202.20(e)(3) of this Part for summary totals.

- 1) "1" = General Liability/Excess Insurance
- 2) "2" = Medical Malpractice
- 3) "3" = Commercial Auto/Excess Insurance
- 4) "4" = Private Passenger Auto - Liability
- 5) "5" = Homeowners
- 6) "6" = Business Owners Policy
- 7) "7" = Private Passenger Auto - Physical Damage

j) Form Type - There are three different record types:

- 1) "C" = Claims-Made
- 2) "X" = Occurrence
- 3) "T" = Claims-Made Tail Coverage

k) Classification Code - The classification code is a six character alphanumeric field. The code to be used are specified by the classifications provided. (See Appendices G through W for specific class codes.)

l) Statistical Data Year - The statistical data year is a two character alphanumeric field. It reflects the last two digits of the experience year (Format YY).

m) Type of Loss - The type of loss is a one character alphanumeric field. (This field is used for private passenger auto and commercial auto lines only.)

- 1) "1" = Bodily Injury
- 2) "2" = Property Damage
- 3) "3" = Medical Payments

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- 4) "4" = Uninsured/Underinsured Motorist (UM/UIM)
- 5) "5" = Comprehensive
- 6) "6" = Collision
- 7) "9" = All Others

n) Loss Amounts and Signs

- 1) Each amount field shall be preceded by a one (1) character sign field. It is represented as positive (+) or negative (-).
- 2) Each amount field shall contain a numeric entry of 12 characters which shall be right-justified and zero-filled. The number shall not contain a decimal point or commas. Please refer to the following example: (\$82,539) is equal to -000000082539 and \$82,539 is equal to +000000082539. Report the amount of loss rounded to the nearest whole dollar.

o) Paid Losses

- 1) Sign Field - See subsection (n)(1) above.
- 2) Paid Loss amount - Report this amount rounded to the nearest whole dollar amount.

p) Outstanding Losses

- 1) Sign Field - See subsection (n)(1) above.
- 2) Outstanding loss amount - Report this amount rounded to the nearest whole dollar.

q) Allocated Loss Adjustment Expense

- 1) Sign Field - See subsection (n)(1) above.
- 2) Paid - Paid allocated loss adjustment expenses.
- 3) Sign Field - See subsection (n)(1) above.
- 4) Outstanding - Outstanding allocated loss adjustment expenses.

r) Claim Counts

- 1) Each claim count field shall be preceded by a one character sign field. It is represented as positive (+) or negative (-).
- 2) Paid Claims - The paid claim count field is an eight character alphanumeric field. Paid claims are defined as only those claims which have had a loss payment made or have a loss reserve established.
 - i) A claim partly paid and partly outstanding shall be carried in either the paid claim or outstanding claim count, but shall be counted only once.
 - ii) A case involving loss payments or loss reserves under more than one differently coded classification shall

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have a claim count for each such classification.
 iii) A claim in which more than one payment is made shall be counted only once.

- 3) Outstanding Claims - The outstanding claim count field is an eight character alphanumeric field. Outstanding claims are defined as only those claims which have had a loss payment made and have not been extended. Claims partly paid and partly outstanding shall be counted as separate outstanding claim or paid claim count, but must be counted only once.

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Section 4202.APPENDIX C GENERAL LIABILITY CLASS CODES

GOVERNMENTAL SUBDIVISIONS - NOT STATE OR FEDERAL

Municipalities (including boroughs, cities, towns, townships, etc.)

Old Class Code	New Class Code	Population	Exposure Base
91250	44100	Under 2,500	Total Operating Expenditures
91251	44101	2,500 - 10,000	Total Operating Expenditures
91252	44102	10,001 - 25,000	Total Operating Expenditures
91253	44103	25,001 - 50,000	Total Operating Expenditures
91254	44104	50,001 - 100,000	Total Operating Expenditures
91255	44105	100,001 - 250,000	Total Operating Expenditures
91256	44106	Over 250,000	Total Operating Expenditures
91263	Included	Personal Injury Coverage	No Exposure

Counties or Parishes

91257	44108	Under 10,000	Total Operating Expenditures
91258	44109	10,000 - 25,000	Total Operating Expenditures
91259	44110	25,001 - 50,000	Total Operating Expenditures
91260	44111	50,001 - 100,000	Total Operating Expenditures
91261	44112	100,001 - 250,000	Total Operating Expenditures
91262	44113	Over 250,000	Total Operating Expenditures
91263	Included	Personal Injury Coverage	No Exposure

"Total Operating Expenditures" are defined as total expenditures including grants, entitlements and shared revenue without regard to source of revenue during the policy period, including accounts payable and excluding:

- Capital improvements
- Expenditures for independent contractors operations
- Welfare benefits (not administrative costs)
- Expenditures on the following which are separately classified and included:

- Amusement parks
- Exhibition or convention buildings (including arenas and auditoriums)
- Dams, levees or dikes - existence hazard
- Golf courses
- Housing projects - for example, urban development and public housing
- Lakes or reservoirs - existence hazard
- Medical care facilities - for example, hospitals, clinics and sanitariums
- Penal institutions, jails - for example, correctional institutions

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- 9) Schools or colleges
- 10) Ski facilities
- 11) Stadiums, bleachers or grandstands with total seating capacity in excess of 5,000
- 12) Streets, roads, highways or bridges - existence hazard only for "old" and existence and maintenance hazard for "new"
- 13) Street, road, highway or bridge construction
- 14) Transportation systems, facilities and services including airports, bus systems or other transit facilities such as subways and aircraft
- 15) Utilities - electric, gas, water, steam
- 16) Wharves, piers, docks, marinas and watercraft
- 17) Zoons

OTHER GOVERNMENTAL SUBDIVISION CLASSES (a)

- a) The data reported for these classes reflect primarily governmental exposure.
- b) Separately rated classes for Governmental Subdivisions.

Class Code	Description	Exposure Base
<u>Old</u>	<u>New</u>	
93050	Governmental Composite Rated Risks	No Exposure
93151(b)	Streets, Roads or Highways - with or without sidewalks - including bridges and culverts but excluding toll bridges and drawbridges - existence hazard only	Number of Miles
48727(b)	Streets, Roads, Highways or Bridges - existence and maintenance hazard only	Number of Miles
<u>SEPARATELY RATED CLASSES FOR GOVERNMENTAL SUBDIVISIONS</u> Governmental or Private (*)		
<u>Class Code</u>	<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>	

*Note: To varying degrees, the data reported for these classes reflect both governmental and private exposures.

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45836	Airports - commercial	Number of Airports
40010	Airports - commercial	Number of Airports
<u>EXHIBITS OR CONVENTION BUILDINGS</u>		
79435	Exhibition or convention buildings or armories - area	Square Feet
79436	Exhibition or convention buildings or armories - receipts (Code 79436 also includes "Schools-stadiums or outdoor grandstands or bleachers")	Receipts
63212	Exhibition or convention buildings (includes arenas and auditoriums)	Square Feet

GOLF COURSES

79420	Golf courses - municipal or public	Receipts
44070	Golf Courses - municipal or public	Gross Sales
<u>Class Code</u>	<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>	
<u>HOUSING PROJECTS</u>		
93181	Housing projects owned and constructed for the Public Housing Administration (P.H.A.) or similar Federal authority (Apartment Houses - not 3 or 4 family dwellings)	Square Feet
93182	Housing projects owned by and constructed for the P.H.A. (4 family dwellings)	Number of Dwellings
93183	Housing projects owned by and constructed for the	Number of Dwellings

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93184	P.H.A. (3 family dwellings)	Number of Dwellings owned by and controlled for the P.H.A. (2 family dwellings)	Number of Residences	Number of Units	Exposure Base
93185	Housing projects owned by and constructed for the P.H.A. (private residences)				
64500	Housing projects - federal, state, local				
Old	Class Code	New	Description		Exposure Base
			PENAL INSTITUTIONS, JAILS		
93190			Penal Institutions - including completed operation	Square Feet	
			Penal Institutions	Square Feet	
Old	Class Code	New	Description		Exposure Base

WATERWORKS

49411	Waterworks - including outside salesman, collectors and meter readers including completed operations	Payroll			
99943	Water companies-including products and/or completed operations	Payroll			
Old	Class Code	New	Description		Exposure Base

PARKS AND PLAYGROUNDS (*)

86414	Parks or Playgrounds - not otherwise classified (Code 86414 also includes:	No Exposure			
		No Exposure			

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"Day Camps and Youth Recreation Programs")			
Old	Class Code	Description	Exposure Base
	New		
		SCHOOLS	
82113		Schools - high or junior colleges - public - not otherwise classified	Number of Pupils
	47473	Schools - public - high	Number of Pupils
93221		Schools - elementary, kindergarten, junior high - public	Number of Pupils
	47471	Schools - public - elementary, kindergarten, junior high	Number of Pupils
82111		Schools - parochial or private	Number of Pupils
	47470	Schools - private - elementary, kindergarten, or junior high	Number of Pupils
	47472	Schools - private - high	Number of Pupils
82420(*)		Schools - manual training, trade, vocational - public or private	Number of Pupils
	47474(*)	Schools - trade or vocational	Number of Pupils
82216(*)		Schools - not otherwise classified	Square Feet
	67507(*)	Schools - not otherwise classified	Square Feet
Class Code		Description	Exposure Base

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Old	New	DAY CARE CENTERS			
82115		Day Nurseries	Square Feet		
	41714	Day Care Centers	Number of Persons		
Class Code		Description	Exposure Base		
Old	New		Old	New	
70412	70412	Clubs	Gross Receipts		Rece
59211	59211	Package Stores and Other Retail Establishments	Gross Receipts		Rece
50911	50911	Manufacturers, Wholesalers and Distributors	Gross Receipts		Rece
58161	58161	Restaurants, Taverns, Hotels, Motels including package sales	Gross Receipts		Rece
58168	58168	Temporary Licenses	No Exposure		No Exposure
58169	58169	Owners or Lessors of premises used by others	No Exposure		No Exposure
11111	11111	Liquor Liability - Not Otherwise Classified	No Exposure		No Exposure
Class Code		Description	Exposure Base		
Old	New		Old	New	

LAWYERS PROFESSIONAL LIABILITY

81400	81400	Lawyers		Number of Persons
81420	81420	Employed Law Clerks, Investigators, Abstractors and Paralegals		Number of Persons

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Old	Class Code	New	Description	Exposure Base
			<u>LABOR, FRATERNAL OR RELIGIOUS ORGANIZATIONS</u>	
86416	41001		Boy or Girl Scout Councils	Number of Scouts
86413	Eliminated		Boy or Girl Scout Troops	Number of Scouts
86311			Labor Union Offices	Square Feet
65007			Labor Union Offices	Square Feet
86415			Clubs - civic, fraternal, luncheon, service or social - no building or premises owned or leased except for office purposes (Code 86415 also includes "Insurance Agents Associations" which under "new" would be classified under 46880 - "Professional Trade Associations")	Number of Members
70411			Clubs - not otherwise classified (including lodges, paternal orders and sororities)	Square Feet
41663			Clubs - civic, service or social - no building or premises owned or leased except for office purposes	Number of Members
41662			Clubs - civic, service or social - have buildings or premises owned or leased	Square Feet
86612			Churches	Square Feet
41650			Churches or other houses of worship	Square Feet
86611			Convents or Monasteries	Square Feet

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86711	41680	Convents or Monasteries	Square Feet
		Mission or Settlement	Square Feet
		Houses - not church or office building	
	67017	Mission, Settlement or Halfway House - not church or office building	Square Feet
86412	Eliminated	United Service Organization (USO)	Square Feet
		(classify under "clubs")	
86411		YMCA and YMCA Institutions	Square Feet
		(Code 86411 also includes "Recreation Centers")	Square Feet
49870		YMCA, YMCA or similar institutions	Square Feet

PROFESSIONAL LIABILITY

Miscellaneous Classes Not Involving Personal Injury Hazard Classification

CLASSIFICATION CODE	CODE	EXPOSURE BASE
Accountants	73101	N/R
Certified Public	73102	N/R
Advertisers	73110	N/R
Architects	73909	N/R
Auditors	73111	N/R
Broadcasters - Program Form	73112	N/R
Broadcasters - Station Form	73113	N/R
Engineers	73116	N/R
Actractors	73117	N/R
Appraisers	73115	N/R
Associations	73143	N/R
Book Publishers	73116	N/R
Brokers	73117	N/R
Business or Economic Consultants		
or Analysts	73118	N/R
Chemical Engineers	73119	N/R
Commercial Photographers	73120	N/R
Consulting Chemists	73121	N/R
Consulting Management Engineers	73122	N/R
Directors and Officers	73140	N/R

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Ins. Agents and Brokers	73123	N/R
Ins. Counselors or Analysts	73124	N/R
Investment Counselors	73125	N/R
Newspaper Publishers	73126	N/R
Public Liability	73127	N/R
Public Officials	73128	N/R
Real Estate Agents	73127	N/R
Residential Appraisers	73128	N/R
Surveyors	73129	N/R
Trustees	73130	N/R
All Others	73444	N/R
N/R = Not Required		

GENERAL LIABILITY

Individual insurer programs that are not rated and coded in accordance with the attached class definitions shall be reported using the following codes:

Code	Descriptions	Exposure Base
44120	Governmental Subdivisions	No Exposure
87471	Public Schools	No Exposure
87470	Private Schools	No Exposure
81714	Day Care Centers	No Exposure
81111	Liquor Liability	No Exposure
81401	Lawyers Professional Liability	No Exposure
65005	Labor, Fraternal or Religious Organizations	No Exposure

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Section 4202. APPENDIX II MEDICAL MALPRACTICE CLASS/CLASS GROUPS

MEDICAL MALPRACTICE

Not in active United States military service and not otherwise employed full time by the Federal Government. The exposure base for all classes is number of person months.

Category	Class Code	Description
a) Dentists		
Oral Surgery Using Anesthesia	80210	Dentists
		This class applies to any dentist engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia.
Oral Surgery Not Using Anesthesia All Other	80211	Dentists - Not Otherwise Classified
Category	Class Code	Description
b) Physicians and Surgeons		
	MD =	Medical Doctor
	DO =	Doctor of Osteopaths
General Practitioner (Family Practice)	MD 80420	Family Physicians or General Practitioners - no surgery
	MD 80421	Family Physicians or General Practitioners - minor surgery
	DO 84421	Practitioner - general practice or family practice
	MD 80117	Surgery - general practice or family practice
Obstetrics/Gynecology - Surgery	MD 80167	Surgery - gynecology
	DO 84167	
	MD 80168	Surgery - obstetrics
	MD 80153	Surgery - obstetrics - gynecology

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	DO 84153	
Obstetrics/Gynecology - Other	MD 80277	Gynecology - minor surgery
	DO 84277	
	MD 80244	Gynecology - no surgery
	DO 84244	
Orthopedic - Surgery	MD 80154	Surgery - Orthopedic
	DO 84154	
Emergency Room-Surgery	MD 80157	Emergency medicine - including major surgery
	DO 84157	
Emergency Room-Other	MD 80102	Emergency medicine - no major surgery
	DO 84102	
Cardiac - Surgery	MD 80141	Surgery - cardiac
	MD 80150	Surgery - cardiovascular disease
	DO 84150	
Cardiac - Other	MD 80281	Cardiovascular disease - minor surgery
	DO 84281	
	MD 80255	Cardiovascular disease - no surgery
	DO 84255	
Critical Care Medicine	MD 80283	Intensive Care Medicine - These classes apply to any general practitioner or specialist employed in an intensive care hospital unit.
	DO 84283	
General Surgery	MD 80143	Surgery - general - not otherwise classified. These classes do not apply to any family or general practitioner or to any specialist who occasionally performs major surgery.
	DO 84143	
Neuro Surgery	MD 80152	Surgery - neurology - including child
	DO 84152	
	MD 80288	Neurology - including child - minor surgery
	DO 84288	
Plastic Surgery	MD 80156	Surgery - plastic - Not Otherwise

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Category	Class Code	Description & Exposure Base
c) Hospitals	DO 84156	Classified
	MD 80155	Surgery - plastic -
	DO 84155	otorhinolaryngology
	MD 80146	Surgery - vascular
	MD 80144	Surgery - thoracic
	DO 84144	
		Hospitals - not otherwise classified
	80611	For-Profit
	80610	Per bed exposure base
		Per 100 outpatient visits
		exposure base
	80612	Not-For-Profit
	80617	Per bed exposure base
		Per 100 outpatient visits
		exposure base
		Governmental
	93215	Per bed exposure base
	93216	Per 100 outpatient visits
		exposure base
		Osteopathic
	84965	Per bed exposure base
	84966	Per 100 outpatient visits
		exposure base
Category	Class Code	Description & Exposure Base

An aggregate total of all health care provider classes (other than physicians, surgeons and dentists) not included in categories (a) and (b).

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e) Other Health Care Facilities	80999	N/R
An aggregate total of all health care facility classes (other than hospitals) not included in category (c).		
MEDICAL MALPRACTICE		
Individual insurer programs that are not rated and coded in accordance with the attached class definitions shall be reported using the following codes:		
Code	Descriptions	Exposure Base
90410	Hospitals	N/R
90430	Physicians, Surgeons and Dentists	N/R
90999	All other Medical Malpractice Classes	N/R

(Source: Amended at 19 Ill. Reg. 15625, effective November 7, 1995)

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Section 4202 APPENDIX I COMMERCIAL AUTOMOBILE LIABILITY CLASS GROUPS -
EXCLUDING PERSONAL INJURY PROTECTION (PIPS)COMMERCIAL AUTOMOBILE LIABILITY

Voluntary Business Only

- a) Fleet and non-fleet combined trucks, tractors and trailers - Zone rated

Classification Code

1a
1b
1c

Exposure Base

Car Months
Receipts
of miles

- b) Fleet and non-fleet combined trucks, tractors and trailers - All other - regardless of mileage

Classification Code

2a

Exposure Base

Car Months

- c) Fleet and non-fleet combined taxicabs and public livery - regardless of mileage, including limousines

Classification Code

3a
3b
3c

Exposure Base

Car Months
Receipts
of miles

- d) Fleet and non-fleet combined school buses - regardless of mileage

Classification Code

4a

Exposure Base

Car Months

- e) Fleet and non-fleet combined other public buses - regardless of mileage and zone rated (includes transportation of athletes and entertainers, social service automobiles and van pools)

Classification Code

5a
5b
5c

Exposure Base

Car Months
Receipts
of miles

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COMMERCIAL AUTOMOBILE LIABILITY

Voluntary Business Only

- f) Automobile Dealers

Classification Code

6a

Exposure Base

Rating Unit Years

- g) Service Operations or Trailer Sales

Classification Code

7a

Exposure Base

Payroll

- h) All Other Commercial Auto Classes

Classification Code

8a

Exposure Base

N/A

(Source: Amended at 19 Ill. Reg. 15625, effective November 7, 1995)

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Section 4202.APPENDIX J PRIVATE PASSENGER AUTO CLASSIFICATIONS

Private Passenger Auto

Voluntary Business Only

Classification Code

Exposure Base

Private Passenger
Auto Liability
(Excluding PIPS)

191

Car Months
(Bodily Injury)Private Passenger Auto
Physical Damage

211

Car Months
(Comprehensive)

(Source: Amended at 19 Ill. Reg. 15625, effective November 7, 1995)

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Section 4202.APPENDIX K BUSINESS OWNERS CLASSIFICATIONS

BUSINESS OWNERS PACKAGES

Classification Code

Exposure Base

77777

N/R

Business Owners
Package (B.O.P.)

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Section 4202.APPENDIX L HOMEOWNER CLASSIFICATIONS

Homeowners

Voluntary Business Only

Homeowner coverages shall be classed and reported as follows:

Homeowner Package	Code	Exposure Base
HO-1	1	House Months
HO-2	2	House Months
HO-3	3	House Months
HO-4	4	House Months
HO-5	5	House Months
HO-6	6	House Months
HO-8	8	House Months
<u>Residential Fire</u>	<u>Code</u>	<u>Exposure Base</u>
Building or		
Building & Contents	9A	House Months
Contents Only	9B	House Months
Building Only	9C	House Months
<u>Endorsement</u>	<u>Code</u>	<u>Exposure Base</u>
Home Day Care (HO-323)	323	N/R
(Liability Only)		
Business Pursuits	71	N/R
(HO-71) (Liability Only)		

*Note: Residential fire policies subject to reporting for Code 9A are non-commercial forms, insuring buildings having 1-4 units, where one (1) of the units is owner occupied. Code 9C should be used to report residential fire policies on non-owner occupied buildings.

(Source: Amended at 19 Ill. Reg. 15625, effective November 7, 1995)

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Section 4202.APPENDIX M SPECIAL CLASSIFICATIONS APPLICABLE TO EXCESS INSURANCE

Special Classifications Applicable to
Excess Insurance

Classification	Code	Exposure Base
Excess Insurance	88888	N/R
Rule for (a) Rating Excess Insurance (Umbrella and Personal Catastrophe Liability)		
Personal Umbrella	99930	N/R
Commercial Umbrella	99935	N/R
<u>Commercial Auto</u>		
Excess Insurance	9772	N/R

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- 1) Heading of the Part: Insurance Cost Containment Data and Reporting Requirements
- 2) Code Citation: 50 Ill. Adm. Code 4203
- 3) Section Numbers: Proposed Action:
- | | |
|----------|-------------|
| 4203.10 | New Section |
| 4203.20 | New Section |
| 4203.30 | New Section |
| 4203.40 | New Section |
| 4203.50 | New Section |
| 4203.60 | New Section |
| 4203.70 | New Section |
| 4203.80 | New Section |
| 4203.90 | New Section |
| 4203.100 | New Section |
| 4203.110 | New Section |

- 4) Statutory Authority: Implementing Article XXII and authorized by Section 1204 of the Illinois Insurance Code [215 ILCS 5/Art. XXII].

- 5) A. Complete Description of the Subjects and Issues Involved: In response to much input from industry the Department is promulgating this new administrative regulation which will replace Part 4202. Industry had expressed great concern that the Department's requirements were difficult to understand and offered many suggestions for revision. As a result, the Department will be modernizing the data call portion of this Part and we will also be eliminating requests for data in some coverage classes. In addition, data will now be submitted on diskette rather than on computer tape and the Department will clarify our regulatory intent throughout this new Part.

- 6) Will this proposed rule replace an emergency rule currently in effect? No

- 7) Does this rule contain an automatic repeal date? No

- 8) Does this proposed rule contain incorporations by reference? No

- 9) Are there any other proposed amendments pending on this Part? No

- 10) Statement of Statewide Policy Objectives: This proposed rule will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the

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publication of this Notice to:

David Van Lieshout
Assistant Chief Counsel
Department of Insurance
320 West Washington
Springfield, IL 62767
(217) 782-8216

Denise Hamilton
Rules Unit Supervisor
Department of Insurance
320 West Washington
Springfield, IL 62767
(217) 785-8560

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: This proposed rule will not affect small businesses, small municipalities or not for profit corporations.

- B) Reporting, bookkeeping or other procedures required for compliance: Please review reporting and filing requirements of this Part.

- C) Types of professional skills necessary for compliance: Electronic data processing skills are necessary for compliance with this Part.

- 13) Regulatory Agenda on which this rule was summarized: January 1996

The full text of the Proposed Rules begins on the next page:

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TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER vv: INSURANCE COST CONTAINMENT

PART 4203

INSURANCE COST CONTAINMENT DATA AND REPORTING
REQUIREMENTS

- Section
4203.10 Applicability
4203.20 Purpose and Scope
4203.30 Data Collection Procedures
4203.40 General Submission Guidelines
4203.50 Required Data Types (Lines, Classes, and Coverages)
4203.60 Line Item Matrix For Cost Containment Reporting
4203.70 Coding Conventions For Other Liability, Medical Malpractice, Earthquake, Commercial Auto Liability, Business Owners Packages, and Excess Insurance
4203.80 Coding Conventions for Homeowner and Residential Fire Insurance
4203.90 Coding Conventions for Private Passenger Auto Liability Insurance (Excluding PIP)
4203.100 Coding Conventions for Private Passenger Auto Physical Damage
4203.110 Record Layout for the Four Formats

AUTHORITY: Implementing Article XLIII and authorized by Section 1204 of the Illinois Insurance Code [215 ILCS 5/Art. XLIII].

SOURCE: Adopted at 21 Ill. Reg. _____, effective _____.

Section 4203.10 Applicability

This Part shall apply to each company licensed to write property or casualty insurance in this State pursuant to Section 4, Class 2 (a)-(1) and Class 3 (a)-(1) of the Illinois Insurance Code [215 ILCS 5/4]. These procedures are applicable to all direct property and liability business written by insurers reported by the State filers. Only direct insurance business will be reported. The data filers are not required to report the following: (a) losses paid to other insurers because of the reinsurances received by the reporting insurers; nor, shall any deductions be made by the reporting insurers for premiums ceded to, or for losses recovered from, other insurers because of the reinsurance ceded.

Section 4203.20 Purpose and Scope

The purpose of this Part is to establish content, form and data reporting requirements for information required to be reported to the Director of

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Insurance pursuant to Section 1204(A) through (D) of the Illinois Insurance Code [215 ILCS 5/1204]. This Part will also establish the medium by which such information shall be transmitted to the Director.

Section 4203.30 Data Collection Procedures

- a) Scope of Procedure
Each insurer shall report its business written separately for Illinois and multi-state (including Illinois) for each line, subline, or class, and underwritten separately for each line, subline, or class. Reporting is required for each line, subline, or class, regardless of whether the business is reported separately for each zip code. Zip code reporting will be required for Illinois personal line business only. Only data for the voluntary market will be reported.
- b) Methods of Compiling Annual Experience
Experience for each class or type of business required will be provided for the applicable methods described in this subsection (b). The insurer or agent will report data for calendar year and calendar year premium-only data evaluated as of December 31. For calendar-accident and policy year data, the evaluation date will be March 31. The statistical period(s) for reporting each type or class of business are defined as:
- 1) Calendar year
The calendar year data represents a comparison of losses with the calendar year experience method. The insurer or agent will report evaluations as of December 31. Data will be reported for the current year minus one year. (For example, the 1996 report will contain data for 1995, evaluated as of December 31, 1995, the latest complete, calendar year experience year.)
 - 2) Calendar-accident year
The accident year data represents a comparison of losses on claims occurring in a given 12 month period with the exposures and premiums in that same period. The insurer or agent will report data based upon evaluations as of March 31 of the year following the period close. Data will be reported for the current year minus two years. The insurer will report data separately, for the latest five year experience years. (For example, the 1996 report will contain data reported separately by year for the years through 1996, evaluated as of March 31, 1995, with 1994 the latest complete, calendar-accident year experience year.)
 - 3) Policy year
The policy year data represents a comparison of losses occurring under policies having inception dates in a given calendar year with the exposures and premiums on such policies. The insurer or agent will report evaluations as of March 31 of the year following the close of the period. Data will be reported for the

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current year minus three years. The insurer will report data separately for the latest five year experience years. (For example, the 1996 report will contain data reported separately by year for the years 1989 through 1993, evaluated as of March 31, 1995 with 1993, the latest, complete policy-year experience year.)

4) Calendar year premium-only
For all classes that are reported on a calendar-accident or policy-year basis, insurers will submit additional and separate record for calendar year experience which includes written premium, earned premium, and written exposures. The data will be reported for the most recent calendar year and will be evaluated as of December 31. (For example, for the November 1997 report, insurers will report premiums and exposures for their 1996 calendar year experience for each class in addition to their calendar-accident and policy year data.) Insurers need not submit additional records for any class that is reported using the calendar year method of compiling annual experience.

c) Experience Method By Line
1) For those lines where calendar year experience is used, including private passenger automobile physical damage; homeowners (optional); earthquake-AQO (optional); residential fire (optional); excess insurance (optional); each insurer will report the premium lost data for the latest five year experience year. (For example, 1995 data for reporting year 1996.)

2) For those lines where calendar-accident and policy year experience is used, insurers will report the latest five experience years for each line using the appropriate calendar-accident and policy year experience methods. (For example, in the 1996 report insurers will submit data for the years 1990 through 1994, for lines using the calendar-accident experience method and 1989 through 1993 for the policy year experience method.) Because there are several insurers that will not be able to comply with the five year requirement with the initial submittal, the Department will allow the five year requirement to be phased in over the next three years. One additional year will be required each year until the five year requirement is satisfied. Insurers are not required to report as many of the five years as possible and are minimally required to report the latest experience year for both calendar-accident and policy years with the 1997 submittal. (For example, in 1997, a minimum of two years of data will be required. In the year 2000, and thereafter, five years of data will be required.)
3) Reports will be filed on an annual basis for the required lines using the applicable experience methods. The applicable experience method for each line is defined as follows:

Line or Type of Coverage Experience Methods

Homeowners Multiple Peril(1)

Calendar year(2) or calendar-accident year and calendar year premium-only

Medical Malpractice

Policy year and calendar year premium-only

Earthquake (RQO)

Calendar year(2) or calendar-accident year and calendar year premium-only

Other Liability

Policy year and calendar year premium-only

PPA Liability

Calendar-accident year and calendar year premium-only

PPA Physical Damage

Calendar year(2)

Commercial Automobile Liability

Calendar-accident year and calendar year premium-only

Residential Fire

Calendar year(2) or calendar-accident year and calendar year premium-only

Business Owners Packages

Calendar-accident year and calendar year premium-only

Excess Insurance

Calendar year(2), calendar-accident year, or policy year and calendar year premium-only

(1) Includes earthquake endorsement to homeowners or residential fire (RQO and 323 classification).

(2) A separate calendar year premium-only record is not required for classes that are already reported on calendar year basis.

4) In reporting the required data, please note the following clarifications:

- The "Other Liability" line includes classes from liquor liability, day care centers, and lawyers professional liability. Products liability is excluded.
- Residential fire excludes allied lines.
- Data from Beach Plans and Assigned Risk Plans will not be

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reported. (The Illinois Fair Plan Association will submit Illinois-only data for homeowners.) Insurers will not report any FAIR Plan data.

d) Preparation and Completion of Statistical Reports

- 1) Insurers may report statistics directly, or through an agent. Agents reporting data for more than one insurer will report each insurer's data on separate records.
- 2) Insurers will report their data within the required time frame through 4203.70 and record formats provided in Sections 4203.50 through 4203.70.
- 3) Prior to submission of data, the insurer shall edit the data being reported. The Department has available and will provide an edit program to each insurer upon their request.
- 4) Submittal information must contain the following:
 - A) A cover letter, signed by the Illinois Cost Containment contact person, must accompany each filing. The cover letter should explain any special situation(s) regarding the data submission that needs clarification. Please note that for internal control, companies having no cost containment data to file must send a letter to the Department on each filing date, including the information listed below, and must state that they have no data to file. Agents must include in the cover letter a list of all companies for whom data is being submitted. This letter must contain the following information:
 - i) Name of company or agent,
 - ii) FEIN (not applicable to agents),
 - iii) NAIC group number (not applicable to agents),
 - iv) Filing date (e.g., 11/25/96),
 - v) Address, city, State and zip code,
 - vi) Contact person,
 - vii) Phone number of contact person,
 - viii) Type of submittal (Initial-Full, Initial-Partial, Refile, or Amended),
 - ix) Number of records in this submittal.

- B) Data submitted pursuant to this Part must be reported on 3.5" IBM formatted diskettes unless otherwise authorized. The data on each diskette must be in ASCII, comma-delimited format. The Department will accept data that has been compressed with the IBM PC's ZIP product.
- C) The diskettes must be labeled with the title "Illinois Cost Containment Data. The label must also contain the following information:
 - i) Name of company or agent,
 - ii) FEIN (not applicable to agent),
 - iii) NAIC group number (not applicable to agent),
 - iv) Filing date,
 - v) Number of diskette(s) in this submittal,

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- vi) Type of submission (Initial-Full, Initial-Partial, Refile, or Amended),
 - vii) Number of records in this submittal.
- The following terms apply to the type of submission entry on the diskette label and the cover letter. An insurer's first data submittal to the Department for a reporting period is considered the initial submittal. If the insurer considers it a full submission, it will be identified as "Initial-Full." If the insurer does not consider it a full submittal, it should be identified as "Initial-Partial." The "Initial-Partial" identification will be used by the insurer in situations where it submits part of the data and expects to submit the remainder of the data. Most likely, the insurer will never report an entire set of data for all its companies, the agents will code Field 2 with a 1, 2, 3, or 4 and will always identify their data as an Initial-Partial submittal. Thus, with this coding scheme, the only Initial-Full submittals will be submitted by insurers where Field 2 must be coded 6. For Initial-Partial submittals, Field 2 for all records must be coded 1, 2, 3, or 4 by agents and 5 by insurers. Resubmittals resulting from the receipt of a letter from the Department regarding edit errors are considered a Refile. A resubmittal of data initiated by the insurer or agent to correct data previously submitted, not the result of a Departmental edit letter, is considered an amended filing.

Grouped data may be submitted on multiple companies in the same report. Insurers need not file a separate diskette for each company. In that group, however, they must report data for each of the companies in their group separately and ensure that the FEIN for each company is accurate for each record.

- D) Insurers need not submit a record (for either Illinois only or multi-State) for any line, class, or endorsement if written premiums, earned premiums, and paid and outstanding losses in the Illinois-only data are all zeroes.

e) Reporting of Exposures

A count of the number of written exposures will be reported separately for each line, type of business, or classification. Section 4203.50 provides the exposure basis for each. Note that for private passenger auto liability and commercial auto liability, the exposure count will apply only to the bodily injury component. For private passenger auto liability, the exposure count will apply only to the medical payments component. For commercial auto liability, the exposure count will be black. These situations will be identified in the coding instructions in Section 4203.70 through 4203.100.

f) Reporting of Premiums

The premium reported will be the premium charged for the policies within each classification. Excess insurance premiums will be

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reported separately as addressed in subsection (r) below. Premiums will be reported on both a written and earned basis.

- g) Reporting Losses. Separate fields are provided for both paid losses and outstanding losses. Losses will be reported net as to third party recoveries (under salvage and subrogation). Paid losses are defined as all sums paid to claimants or policyholders in direct settlement of losses covered by the policies. Outstanding losses are defined as the amounts of loss reserves established for paying claims for the reporting period that have not been paid as of the evaluation date. Losses covered by an excess policy will be reported separately as addressed in subsection (s) below.
- h) Reporting of Allocated Loss Adjustment Expenses. Allocated loss adjustment expense (ALAE) includes all expenses of a company which can be identified with and hence allocated to a particular claim. Insurers will report the amount of paid and outstanding ALAE for private passenger auto liability, medical malpractice liability, fire and theft, liability, and liability. Also, ALAE will be collected for business owners insurance and excess insurance. In those situations where an insurer cannot separate indemnity and ALAE, the insurer will submit a separate record; however, the insurer will enter the combined loss and ALAE total in the paid loss or outstanding loss field(s) and will identify this option by coding the corresponding paid ALAE or outstanding ALAE field(s) with the word "combined".
- i) Reporting Paid Claims Count. Insurers will report the count of their paid claims. A claim closed without a loss payment is not to be reported. A claim involving only allocated loss adjustment expense is not to be reported with a claim count. A claim count is to be reported only for those cases where a loss payment has been made or a loss reserve has been established. A paid claim is defined as a claim which is closed with a loss payment. Cases where a claim is partially paid with an associated case reserve still maintained, insurers have the option to report the claim count as either paid or outstanding. A case involving loss payments or loss reserves under more than one classification will have a claim count under each classification.
- k) Companies with no written or earned premium, but with paid or outstanding losses in a line, class, subclass, or endorsement for

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Illinois-only data must report data for that line, class, subclass, or endorsement for both Illinois-only and multi-state. If the endorsement or classification occurs in only the multi-state data, the insurer will not be required to report that data.

- 1) Three Year Prepaid Policies to report that data.
- 2) Premiums for three year prepaid policies shall be reported as three separate annual policies.
- m) Other Prepaid Policies. The procedure, outlined in subsection (1) above, applies to other policies not having a one year term with proper recognition of the policy term and using a pro rata allocation formula. In all cases policy periods shall be annual or less.
- n) Treatment of Installment Payments. Premiums for policies written on an installment basis will be reported as though they were prepaid policies.
- o) Installment Charge Premium. Additional premium resulting from the application of installment charges shall be reported as earned premium.
- p) Divisible Package Policies. Insurers will report premiums separately by each classification used in developing the total package premium.
- q) Rounding Rule. Data will be reported in whole numbers. All decimals will be rounded down to the nearest integer. (Decimals less than .5 will be rounded down to the nearest whole number while decimals .5 and above will be rounded up to the nearest whole number.)
- r) Reporting Excess Insurance Premiums. Written and earned premiums for excess insurance will be entered in the appropriate fields for this type class. (See Section 4203.70.) Premiums for excess insurance are defined as that premium charged for coverage in excess of the primary policy limits added by a different policy (e.g., umbrella policy or through an endorsement to the policy).
- s) Reporting Excess Insurance Losses. Paid losses and outstanding losses for excess insurance will be entered in the appropriate fields for this class. (See Section 4203.70.) An excess loss is defined as a loss resulting in an insured cost to the insurer in excess of the primary policy limits and covered by a different policy or an endorsement to the policy. Examples include umbrella policies and excess limits endorsements.

Section 4203.40 General Submission Guidelines

- a) Guidelines for Data Submission and Collection. There will be only one filing date each year. Data must be submitted by November 30 of each year. The submission will be mailed to the Illinois Department of Insurance, Consumer Section, 320 W. Washington, Springfield, Illinois 62767-0001. Insurers are

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responsible for developing or obtaining any software required to convert and/or translate their internal file structures and formats to those specified by this Part.

- b) Penalties

Failure to comply with any of these specifications may subject the insurer to those penalties described in Section 1204(E) of the Illinois Insurance Code (215 ILCS 5/1204(E)).

- c) Leading Zeros

Since fields are not fixed-length, leading zeros and spaces should be omitted.

- d) Negative Numbers

Negative numbers will be submitted as a dash before the number (without a space between the negative and number). For example a negative one hundred dollar premium would be coded -100.

- e) Data Reported by Illinois and Multi-State

All required data will be reported in the aggregate for:

- 1) Illinois only, and
- 2) Illinois and Illinois.

Note: To meet the calendar year premium-only requirement, insurers are to report their personal lines (i.e., homeowner, PPA liability, PPA physical damage and residential fire) data as Illinois-only by zip code and their non-personal lines data as Illinois-only. No multi-state records are necessary for reporting data under the calendar year premium-only method of compilation. Further, data that are already reported using the calendar year method do not need to be reported using the calendar year premium-only method. (For example, PPA physical damage.) For Illinois-only data that does not fall within the range of Illinois zip codes (60001 through 62999), the code 99999 will be used.

- f) Required Data Elements

Data shall be reported for the following nine insurance elements:

- 1) Amount of written exposures,
- 2) Amount of direct earned premiums,
- 3) Amount of direct earned premiums,
- 4) Amount of paid losses,
- 5) Amount of outstanding losses,
- 6) Amount of paid allocated loss adjustment expenses,
- 7) Amount of outstanding allocated loss adjustment expenses,
- 8) Number of paid claims,
- 9) Number of outstanding claims.

Note: For the calendar year premium-only method of compiling annual experience, only the number of written exposures, amount of direct written premiums, and amount of direct earned premiums are to be reported.

- g) Required Lines or Coverages of Insurance

The Department requires that data be submitted for classes within the following ten lines or coverage types of insurance.

- 1) Other Liability,

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- 2) Medical Malpractice,
- 3) Commercial Automobile Liability (excludes no-fault),
- 4) Private Passenger Automobile Liability (excludes no-fault),
- 5) Homeowners Multiple Peril,
- 6) Business Owners Packages,
- 7) Private Passenger Auto Physical Damage,
- 8) Earthquake,
- 9) Excess Insurance,
- 10) Residential Fire.

- h) Reported by Zip Code

In addition to records for multi-state data, Illinois-only personal lines data (homeowners, private passenger auto, and residential fire) will be reported by zip code by line by class. There will be one record for each zip code for each class in the homeowner, private passenger auto liability, private passenger automobile liability, and residential fire classes. If the insurer should not also report data by zip code on a calendar year premium-only basis. (For example, PPA physical damage.)

- i) Reported by Form Type

There will be a separate record for each line, class, or type of coverage for each form type used in writing a policy. Note that an insurer may use any one or more of the form types within the same line or class of insurance. When multiple form types are used the insurer must generate a record for each of those form types.

Section 4203.30 Required Data Types (Lines, Classes, and Coverages)

Within the required lines of insurance identified in Section 4203.40(g), the Department requires data for specified lines, classes, or coverages. There are ten categories of data that are summarized in the table below which summarize the data that must be filed in Illinois pursuant to this Part.

OTHER LIABILITY

CLASS OR DATA TYPE

CLASS CODE

EXPOSURE BASE

DAY CARE CENTERS

Day care center liability - day nurseries

82115

square feet

Day care center liability - day care centers

41714

person-months

Day care center liability individual exposure program not rated using one of the exposure base(s) noted above.(1)

81714

NA

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CLASS OR DATA TYPE	CLASS CODE	EXPOSURE BASE
LAWYERS PROFESSIONAL LIABILITY		
Lawyers professional liability - lawyers	81400	person-months
Lawyers professional liability - employed lawyers, investigators, abstractors, and paralegals	81420	person-months
Lawyer's professional liability individual insurance program not rated using one of the exposure base(s) noted above.(2)	81401	NA
LIQUOR LIABILITY		
Clubs	70412	receipts
Package stores, and other retail establishments	59211	receipts
Manufacturers, wholesalers, and distributors	50911	receipts
Restaurants, taverns, hotels, motels incl: package sales	58161	receipts
Temporary licenses	58168	no exposure
Owners or lessors of premises used by others	58169	no exposure
Liquor liability - not otherwise classified	11111	no exposure
Liquor liability individual insurer programs not rated using one of the exposure base(s) noted above.(1)	81111	NA

Table:

- (1) Individual insurer programs that are not rated using one of the exposure base(s) above with this specified class definition will be reported as classification codes 8111 and 81714, respectively.
- (2) Individual insurer programs that are not rated using one of the exposure base(s) noted above with this specified class definition will be reported as classification code 81401.

MEDICAL MALPRACTICE

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CLASS OR DATA TYPE	CLASS CODE MD(1)	DC(2)	EXPOSURE BASE
CARDIAC SURGERY			
Surgery - cardiac	80141	NA	person-months
Surgery - cardiovascular disease	80150	84150	person-months
CARDIAC - OTHER			
Cardiovascular disease - minor surgery	80281	84281	person-months
Cardiovascular disease - no surgery	80255	84255	person-months
CRITICAL CARE MEDICINE			
Intensive care medicine. Applies to any general practitioner or specialist employed in intensive care hospital unit	80283	84283	person-months
DENTISTS			
Oral surgery with anesthesia	80210	NA	person-months
Oral surgery without anesthesia	80211	NA	person-months
EMERGENCY ROOM SURGERY			
Emergency medicine -Nincluding major surgery	80157	84157	person-months
EMERGENCY ROOM - OTHER			
Emergency room - no major surgery	80102	84102	person-months
GENERAL PRACTITIONER (FAMILY PRACTICE)			
Family physician or general practitioner -			

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CLASS OR DATA TYPE CLASS CODE MD(1) DO(2) EXPOSURE BASE

no surgery 80420 person-months

Family physician or general practitioner - minor surgery

Surgery - general practice or family practice

GENERAL SURGERY

Surgery - general - not otherwise classified. Does not apply to family or general practitioner or to any specialist who occasionally performs major surgery

NEUROSURGERY

Surgery - neurology - \$including child Neurology - including child - minor surgery

OBSTETRICS/GYNECOLOGY - SURGERY

Surgery - gynecology

Surgery - obstetrics - gynecology

OBSTETRICS/GYNECOLOGY - OTHER

Gynecology - minor surgery

Gynecology - no surgery

ORTHOPEDIC SURGERY

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CLASS OR DATA TYPE CLASS CODE MD(1) DO(2) EXPOSURE BASE

Surgery - orthopedic 80154 person-months

PHYSICIANS, SURGEONS, AND DENTISTS

Physicians, Surgeons, and Dentists not otherwise classified.

Physicians, Surgeons, and Dentists individual programs not rated using one of the exposure base(s) noted above.

PLASTIC SURGERY

Surgery - plastic - not otherwise classified

Surgery - plastic - otorhinolaryngology

THORACIC SURGERY

Surgery - thoracic

VASCULAR SURGERY

Surgery - vascular

Table:
(1) MD = Medical Doctor
(2) DO = Doctor of Osteopathy

COMMERCIAL AUTO LIABILITY

CLASS OR DATA TYPE

Fleet and non-fleet combined trucks, tractors, and trailers - zone rated

Fleet and non-fleet combined trucks, tractors, and trailers - all other, regardless of miles

CLASS CODE

1A

1B

1C

2A

EXPOSURE BASE

car-months (BI)

receipts

number of miles

car-months (BI)

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<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
Fleet and non-fleet taxicabs, and public livery, regardless of mileage, including limousines	3A 3B 3C	car-months (BI) receipts number of miles

PRIVATE PASSENGER AUTO LIABILITY

<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
PPA Liability	NA	car-months (BI)

HOMEOWNER MULTI-PERIL

<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
HO-1	HO-1	house-months
HO-2	HO-2	house-months
HO-3	HO-3	house-months
HO-4	HO-4	house-months
HO-5	HO-5	house-months
HO-6	HO-6	house-months
HO-7	HO-7	house-months
HO-8	HO-8	house-months
Mobile Homes	Mobile	house-months

HOMEOWNER ENDORSEMENTS

Home day care endorsement	323	NA
Earthquake endorsement	REQ	NA

BUSINESS OWNERS PACKAGE

<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
Business Owners Package (B.O.P)	77777	NA
<u>PRIVATE PASSENGER AUTO PHYSICAL DAMAGE</u>		
<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
PPA Physical Damage	NA	car-months (comp)

EARTHQUAKE (REQ ONLY)

<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
Residential Earthquake	REQ	NA

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SPECIAL CLASSIFICATIONS APPLICABLE TO EXCESS INSURANCE

<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
Commercial Automobile	9772	NA
Personal Umbrella	99930	NA
Commercial Umbrella	99935	NA
Excess Insurance - All Other	88888	NA

RESIDENTIAL FIRE

<u>CLASS OR DATA TYPE</u>	<u>CLASS CODE</u>	<u>EXPOSURE BASE</u>
Building and Contents - owner-occupied, 1-4 units	9A	house-months
Contents only	9B	house-months
Building only - non-owner-occupied	9C	house-months

Section 4203.60 Line Item Matrix For Cost Containment Reporting

a) The following matrices will assist the insurer in providing data which meet the requirements of this Part. The row headings represent the geographical reporting methods. The column headings represent the lines and types of insurance that are to be reported. This matrix describes the geographic data requirement for each line.

LINE ITEM MATRIX FOR REPORTING COST CONTAINMENT DATA

<u>Field</u>	<u>Comm.</u>		
	<u>Other Liab.</u>	<u>Med. Mal.</u>	<u>Auto. Liab.</u>
Illinois-only	yes	yes	yes
If-only by zip code	no	no	no
Multi-state	yes	yes	yes
Calendar year	yes	yes	yes
Premium-only (IL)	yes	yes	no

Homeowners

PPA Liab.

PPA Liab.

PPA Liab.

PPA Liab.

PPA Liab.

PPA Liab.

PPA Liab.

PPA Liab.

PPA Liab.

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PPA Liab.

PPA Liab.

PPA Liab.

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Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
Calendar year premium-only by zip code (IL)	no	no	no	yes	yes

(*) Excludes HQQ data. Data for earthquake written as an endorsement to homeowners or residential fire policies are not required on a multi-state basis.

PPA BOP Damage	Physical Damage	Earthquake (REQ)	Excess Ins	Residential Fire
IL-only	yes	yes	yes	yes
IL-only by zip code	no	yes	no	yes
Multi-state	yes	no	yes	yes
Calendar year premium-only (IL)	yes	yes	yes	no
Calendar year premium-only by zip code (IL)	no	no(**)	no	yes

(**) PPA physical damage data is reported as calendar year thus no additional calendar year records are requested for this line.

b) The following matrix identifies the required fields for each line of insurance.

OTHER LIABILITY, MEDICAL MALPRACTICE, COMMERCIAL AUTO LIABILITY, PPA LIABILITY, AND HOMEOWNERS

Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
FEIN	yes	yes	yes	yes	yes
Filing Method	yes	yes	yes	yes	yes

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Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
Line of Business	yes	yes	yes	yes	yes
Classification Code	yes	yes	yes	NA	yes
State Identifier	yes	yes	yes	yes	yes
Zip Code	NA	NA	NA	yes	yes
Experience Method	yes	yes	yes	yes	yes
Statistical Data Year	yes	yes	yes	yes	yes
Form Type	yes	yes	yes	NA	NA
Amount of Written Prem.	yes	yes	yes	NA	yes
Amount of Earned Prem.	yes	yes	yes	NA	yes
Amt. of Paid Losses	yes	yes	yes	NA	yes
Amt. of Outstanding Losses	yes	yes	yes	NA	yes
Amt. of Paid ALAE	yes	yes	yes	NA	NA
Amt. of Outstanding ALAE	yes	yes	yes	NA	NA
# of Written Exposures	yes	yes	yes	NA	yes
# of Paid Claims	yes	yes	yes	NA	yes
# of Outstanding Claims	yes	yes	yes	NA	yes

Amt. of PPA Liab. BI
Written Prem.

Amt. of PPA Liab. BI
Earned Prem.

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Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
Ant. of PPA Liab. BI Paid Losses				yes	
Ant. of PPA Liab. BI OS Losses				yes	
Ant. of PPA Liab. BI Paid ALAE				yes	
Ant. of PPA Liab. BI OS ALAE				yes	
# PPA Liab. BI Written Exposures				yes	
# of PPA Liab. BI Paid Claims				yes	
# of PPA Liab. BI OS Claims				yes	
Ant. of PPA Liab Prop. Dam. Written Prem.				yes	
Ant. of PPA Liab. Prop. Dam. Earned Prem				yes	
Ant. of PPA Liab. Prop. Dam. Paid Losses				yes	
Ant. of PPA Liab. Prop. Dam. OS Losses				yes	
Ant. of PPA Liab. Prop. Dam. Paid ALAE				yes	
Ant. of PPA Liab. Prop. Dam. OS ALAE				yes	
# of PPA Liab. Prop. Dam. Paid Claims				yes	
# of PPA Liab. Prop. Dam. OS Claims				yes	

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Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
Ant. of PPA Liab. UN/UM Written Prem.				yes	
Ant. of PPA Liab. UN/UM Earned Prem.				yes	
Ant. of PPA Liab. UN/UM Paid Losses				yes	
Ant. of PPA Liab. UN/UM OS Losses				yes	
Ant. of PPA Liab. UN/UM Paid ALAE				yes	
Ant. of PPA Liab. UN/UM OS ALAE				yes	
# of PPA Liab. UN/UM Paid Claims				yes	
# of PPA Liab. UN/UM OS Claims				yes	
Ant. of PPA Liab. Med. Payments Written Prem.				yes	
Ant. of PPA Liab. Med. Payments Earned Prem.				yes	
Ant. of PPA Liab. Med. Payments Paid Losses				yes	
Ant. of PPA Liab. Med. Payments OS Losses				yes	
Ant. of PPA Liab. Med. Payments Paid ALAE				yes	
Ant. of PPA Liab. Med. Payments OS ALAE				yes	
# of PPA Liab. Med. Payments Paid Claims				yes	

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Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
# of PPA Liab. Med. Payments Outstanding Claims				yes	
Amt. of PPA Liab. Other Written Prem				yes	
Amt. of PPA Liab. Other Earned Prem				yes	
Amt. of PPA Liab. Other Paid Losses				yes	
Amt. of PPA Liab. Other OS Losses				yes	
Amt. of PPA Liab. Other Paid ALAE				yes	
Amt. of PPA Liab. Other Outstanding ALAE				yes	
# of PPA Liab. Other Paid Claims				yes	
# of PPA Liab. Other OS Claims				yes	
# of PPA Liab. All SL Exposures				yes(1)	
Amt. of PPA Liab. All SL Written Prem.				yes(1)	
Amt. of PPA Liab. All SL Earned Prem.				yes(1)	
Amt. of Paid Losses BI-SL				yes(1)	
Amt. of OS Losses BI-SL				yes(1)	
Amt. of Paid ALAE BI-SL				yes(1)	

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Field	Other Liab.	Med. Mal.	Comm. Auto Liab.	PPA Liab.	Homeowners
Amt. of OS ALAE BI-SL				yes(1)	
# of Paid Claims BI-SL				yes(1)	
# of OS Claims BI-SL				yes(1)	
Amt. of Paid Losses PD-SL				yes(1)	
Amt. of OS Losses PD-SL				yes(1)	
Amt. of Paid ALAE PD-SL				yes(1)	
Amt. of OS ALAE PD-SL				yes(1)	
# of Paid Claims PD-SL				yes(1)	
# of OS Claims PD-SL				yes(1)	

Table:

(1) Applicable only to data for single limit policies.

INSURANCE
BUSINESS OWNERS POLICY, PPA PHYSICAL DAMAGE, EARTHQUAKE, EXCESS
AND RESIDENTIAL FIRE

Field	BOP	Physical Damage	Earthquake	Excess Ins	Res Fire
FEIN	yes	yes	yes	yes	yes
Filing Method	yes	yes	yes	yes	yes
Line of Business	yes	yes	yes	yes	yes
Classification					

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Field	BOP	PPA Physical Damage	Earthquake	Excess Ins	Res Fire
Code	yes	NA	yes	yes	yes
State Identifier	yes	yes	yes	yes	yes
Zip Code	NA	yes	NA	NA	yes
Experience Method	yes	yes	yes	yes	yes
Stat Data Year	yes	yes	yes	yes	yes
Form Type	yes	NA	NA	yes	NA
Amount of Written Premium	yes	NA	yes	yes	yes
Amount of Earned Premium	yes	NA	yes	yes	yes
Amount of Paid Losses	yes	NA	yes	yes	yes
Amt. of Outstanding Losses	yes	NA	yes	yes	yes
Amt. of Paid ALAE	yes	NA	NA	yes	NA
Amt. of Outstanding ALAE	yes	NA	yes	yes	NA
# Exposures	NA	NA	NA	NA	yes
# of Paid Claims	yes	NA	yes	yes	yes
# of Outstanding Claims	yes	NA	yes	yes	yes
Amt. of PPA PD Comp. Written Prem.		yes			
Amt. of PPA PD Comp. Earned Prem.		yes			
Amt. of PPA PD Comp. Paid Losses		yes			

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Field	BOP	PPA Physical Damage	Earthquake	Excess Ins	Res Fire
Code	yes	NA	yes	yes	yes
State Identifier	yes	yes	yes	yes	yes
Zip Code	NA	yes	NA	NA	yes
Experience Method	yes	yes	yes	yes	yes
Stat Data Year	yes	yes	yes	yes	yes
Form Type	yes	NA	NA	yes	NA
Amount of Written Premium	yes	NA	yes	yes	yes
Amount of Earned Premium	yes	NA	yes	yes	yes
Amount of Paid Losses	yes	NA	yes	yes	yes
Amt. of Outstanding Losses	yes	NA	yes	yes	yes
Amt. of Paid ALAE	yes	NA	NA	yes	NA
Amt. of Outstanding ALAE	yes	NA	yes	yes	NA
# Exposures	NA	NA	NA	NA	yes
# of Paid Claims	yes	NA	yes	yes	yes
# of Outstanding Claims	yes	NA	yes	yes	yes
Amt. of PPA PD Comp. Written Prem.		yes			
Amt. of PPA PD Comp. Earned Prem.		yes			
Amt. of PPA PD Comp. Paid Losses		yes			

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Field	PEA			Excess	Res
	BOP	Damage	Physical	Ins	Fire
# of PPA PD Other OS Claims					

Section 4203.70 Coding Conventions For Other Liability, Medical Malpractice, Earthquake, Commercial Auto Liability, Business Owners Packages, and Excess Insurance

This Section provides instructions for coding the fields for other liability, medical malpractice, earthquake, commercial auto liability, business owners packages (BOP), and excess insurance records for the calendar year. Premium-only requirement only fields 1 through 10 and 15 (see Section 4203.110) are to be reported for the classes in other liability, medical malpractice, earthquake, commercial automobile liability, Business Owners Policy, and excess insurance. Insurers writing earthquake and excess insurance on calendar-accident year basis must also submit calendar year premium-only records.

- Data for commercial auto liability and Business Owners Packages (BOP) are to be reported on a calendar-accident year basis. Data for medical malpractice and other liability are to be reported on a policy year basis. Data for earthquake (REQ) are to be reported using either the calendar year or the calendar-accident year method. Excess insurance data are to be reported either on a calendar year, calendar-accident year, or policy year basis.
- For the medical malpractice and other liability, commercial auto liability, BOP, and excess insurance, the insurer will submit one record for each class for multi-state data and one record for each class for Illinois-only data. For earthquake (REQ), Illinois-only data are required.
- For all classes reported under the calendar-accident or policy year methods of compiling annual experience, premium and exposure data are to be reported as calendar year premium-only for non-personal line classes or by calendar year premium-only by zip code for homeowner and residential fire, using the instructions for reporting calendar year premium-only data.
- Insurers should note that earthquake data refers to stand alone earthquake policies (non-commercial) (REQ) and should be reported separately from the earthquake data for homeowners and residential policies in Section 4203.50. If an insurer is unable to make this distinction, all earthquake data should be reported as stand alone earthquake class REQ. Also, for earthquake data the form type, # of written exposures, and amount of paid ALAE, amount of outstanding ALAE fields for earthquake should be blank.
- The following provides a detailed description of each data field:
 - FEIN - This alpha-numeric field reflects the Federal Employer

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- Identification Number assigned to the insurer. (Do not include the hyphen; for example 555555555.)
- Filing Method - This one-character alpha-numeric field identifies the source of the data as either an agent or an insurance company. Possible codes are:
 - American Association of Insurance Services (AAIS)
 - Insurance Services Office, Inc. (ISO)
 - National Association of Independent Insurers (NAII)
 - National Independent Statistical Service (NISS)
 - Company Direct - Partial
 - Company Direct - Full
 - Company Percent
- Line of Business - This alpha-numeric field identifies the line or general classification to which the data belongs. Possible codes are:
 - Other Liability
 - Medical Malpractice
 - Commercial Auto Liability
 - BOP (Business Owners Package)
 - Earthquake
 - Excess Insurance
- State Identifier - This field identifies the geographical source of the data. Possible codes are:
 - Illinois only
 - Multi-state
 - Multi-state not apply to earthquake (REQ).
- Experience Method - This one-character alpha-numeric field designates the experience method for the statistical data year reported. Possible codes are:
 - Calendar year
 - Calendar-accident year
 - Policy year
 - Calendar year premium-only
- Statistical Data Year - This four-character alpha-numeric field reflects the experience year. (For example, for the November 1995 annual data filing, the statistical data year will be coded 1995 for lines that use the calendar year experience method. For lines using the calendar-accident and policy year experience methods, the statistical data year field will be coded for one of the years 1990 - 1994 and for one of the years 1989 - 1993, respectively.)
- Certification Code - This alpha-numeric field identifies the class of insurance being reported in the line. The insurer should report one record for Illinois-only data and one record for multi-state data for the medical malpractice, other liability, commercial auto liability, Business Owners Package (BOP), and excess insurance. For earthquake data, Illinois-only data are required but multi-state data are not required.

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Possible codes for Field 7 by line of business or type of coverage are:

Other Liability

Day Care

- * 82115 = day care center liability - day nurseries
- * 41714 = day care center liability - day care centers
- * 81714 = day care center liability individual insurance not rated using one of the exposure base(s) noted above.

Lawyer

- * 81400 = lawyer's professional liability - lawyers
- * 81420 = lawyer's professional liability - employed law clerks, investigators, abstractors, and paralegals
- * 81401 = lawyer's professional liability individual insurance not rated using one of the exposure base(s) noted above.

Liquor

- * 70412 = clubs
- * 59211 = package stores and other retail establishments
- * 50911 = manufacturers, wholesalers, and distributors
- * 58161 = restaurants, taverns, hotels, motels including package sales
- * 58168 = temporary licenses
- * 58169 = owners or lessors of premises used by others
- * 81111 = liquor liability - not otherwise classified
- * 81111 = liquor liability individual insurer not rated using one of the exposure base(s) noted above.

Medical Malpractice

Cardiac - Other

- * 80281 = cardiovascular disease - minor surgery by MD
- * 84281 = cardiovascular disease - minor surgery by DO
- * 80255 = cardiovascular disease - no surgery by MD
- * 84255 = cardiovascular disease - no surgery by DO

Cardiac Surgery

- * 80152 = surgery - neurology - including child by MD
- * 84152 = surgery - neurology - including child by DO

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- * 80141 = surgery - cardiac by MD
- * 80150 = surgery - cardiovascular disease by MD

Medical Malpractice

- * 84150 = surgery - cardiovascular disease by DO

Critical Care Medicine

- * 80283 = intensive care medicine - applies to any general practitioner or specialist employed in an intensive care hospital unit by MD
- * 84283 = intensive care medicine - applies to any general practitioner or specialist employed in an intensive hospital unit by DO

Dentists

- * 80210 = oral surgery with anesthesia
- * 80211 = oral surgery without anesthesia

Emergency Room - Other

- * 80102 = emergency room - no major surgery by MD
- * 84102 = emergency room - no major surgery by DO

Emergency Room - Surgery

- * 80157 = emergency medicine - including major surgery by MD
- * 84157 = emergency medicine - including major surgery by DO

General Surgery

- * 80143 = surgery general - not otherwise classified. Does not apply to family or general practitioner or to any specialist who occasionally performs major surgery by MD
- * 84143 = surgery general - not otherwise classified. Does not apply to family or general practitioner or to any specialist who occasionally performs major surgery by DO

Neurosurgery

- * 80152 = surgery - neurology - including child by MD
- * 84152 = surgery - neurology - including child by DO

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- * 80288 = neurology - including child - minor surgery by MD
- * 84288 = neurology - including child - minor surgery by DO

Obstetrics/Gynecology - Other

- * 80277 = gynecology - minor surgery by MD
- * 84277 = gynecology - minor surgery by DO
- * 80244 = gynecology - no surgery by MD
- * 84244 = gynecology - no surgery by DO

Obstetrics/Gynecology - Surgery

- * 80167 = surgery - gynecology by MD
- * 84167 = surgery - gynecology by DO
- * 80166 = surgery - obstetrics by MD
- * 84166 = surgery - obstetrics-gynecology by MD
- * 84133 = surgery - obstetrics-gynecology by DO

Orthopedic - Surgery

- * 80154 = surgery - orthopedic by MD
- * 84154 = surgery - orthopedic by DO

Physicians and Surgeons

- * 80420 = family physician or general practitioners - no surgery by MD
- * 84420 = family physician or general practitioners - no surgery by DO
- * 80421 = family physician or general practitioner minor surgery by MD
- * 84421 = family physician or general practitioner minor surgery by DO
- * 80117 = surgery - general practice or family practice by MD

Physicians, Surgeons, and Dentists

- * 94999 = physician, surgeons, and dentists classes not specifically listed
- * 90430 = physicians, surgeons, and dentists individual insurer programs not rated using one of the exposure base(s) noted above.

Plastic Surgery

- * 80156 = surgery - plastic - not otherwise classified by MD
- * 84156 = surgery - plastic - not otherwise classified by DO

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- * 80155 = surgery - plastic - otorhinolaryngology by MD
- * 84155 = surgery - plastic - otorhinolaryngology by DO

Vascular Surgery

- * 80146 = surgery - vascular by MD
- * 80144 = surgery - thoracic by MD
- * 84144 = surgery - thoracic by DO

Commercial Auto Liability

- * 1A = fleet and non-fleet combined trucks, tractors, and trailers - zone rated (car-months (BT))
- * 1B = fleet and non-fleet combined trucks, tractors, and trailers - zone rated (receipts)
- * 1C = fleet and non-fleet combined trucks, tractors, and trailers - zone rated (number of miles)
- * 2A = fleet and non-fleet combined trucks, tractors, and trailers - all other, regardless of miles (car-months (BT))
- * 3A = fleet and non-fleet taxicabs and public livery regardless of mileage, including limousines (car-months (BT))
- * 3B = fleet and non-fleet taxicabs and public livery regardless of mileage, including limousines (receipts)
- * 3C = fleet and non-fleet taxicabs and public livery regardless of mileage, including limousines (number of miles)

Business Owners Package

- * 77777 = business owners package (BOP)

Earthquake

- * R8Q = residential earthquake (stand alone policies)

Excess Insurance

- * 9772 = commercial auto
- * 99930 = personal umbrella
- * 99935 = commercial umbrella
- * 88888 = excess insurance - all other

- 8) Form Type - This alpha-numeric field reflects the form type that was used in providing coverage. The insurer will report a separate record for each form type for each class, geographic

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location (Illinois-only or multi-state), and zip code, if required. Possible codes are:

O = Other-made
T = claims-made
T = claims-made full coverage

For the earthquake data, the form type field should be left blank.

- 9) Amount of Written Premium - This field reflects the amount of total written premiums corresponding to each of the class codes.
- 10) Amount of Earned Premium - This field reflects the total amount of earned premiums corresponding to each of the class codes.
- 11) Amount of Paid Losses - This field reflects the amount of paid losses corresponding to each of the class codes. Please see Section 4203.30(g) for the definition of paid losses. If the insurer is unable to separate paid losses from ALAE, the insurer will follow the instructions provided in Section 4203.30(h).
- 12) Amount of Outstanding Losses - This field reflects the amount of outstanding losses corresponding to each of the class codes. Please see Section 4203.30(j) for the definition of outstanding losses and Section 4203.30(i) for special instructions for those situations where separating outstanding losses and outstanding ALAE are not possible.
- 13) Amount of Paid ALAE - This field reflects the amount of paid ALAE for each of the class codes. If an insurer is unable to separate paid ALAE from the paid losses, the combined paid losses and paid ALAE will be reported in the paid losses field for the line and the code "combined" will appear in the paid ALAE field. For the earthquake data, the amount of paid ALAE field should be blank.
- 14) Amount of Outstanding ALAE - This field reflects the amount of outstanding allocated loss adjustment expenses for each of the class codes. If an insurer is unable to separate outstanding losses and outstanding ALAE, the combined outstanding losses and outstanding ALAE will be reported in the outstanding losses field for the line and the code "combined" will appear in the ALAE field. For the earthquake data, the amount of outstanding ALAE field should be blank.
- 15) Number of Written Exposures - This field reflects the count of written exposures for each of the class codes. The field "number of exposures" for BOP, earthquake, and excess insurance will be left blank.
- 16) Number of Paid Claims - This field reflects the paid claims count corresponding to each of the class codes. Please see Section 4203.30(i) for the definition of paid claims.
- 17) Number of Outstanding Claims - This field reflects the outstanding claims count corresponding to each of the class codes. Please see Section 4203.30(j) for the definition of outstanding claims.

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Section 4203.80 Coding Conventions for Homeowner and Residential Fire Insurance

This Section provides instructions for coding 15 fields included in the homeowner and residential fire insurance line. For the calendar year premium-only records of homeowner and residential fire lines, only Fields through 10, and 13 are to be reported. Insurers writing homeowner and residential fire on a calendar-accident year basis must also submit calendar year premium-only records. And finally, homeowner and residential fire records will be submitted by zip code.

- a) Data for the Homeowner and Residential fire lines will be reported on either a calendar year or calendar-accident year basis. Only voluntary business will be reported.
- b) In the homeowner line, the insurer will code one record for each class for multi-state data and one record for each class for each zip code for Illinois-only data. It is not necessary to submit a record that sums the data for all the zip codes in each class. If an insurer reports homeowner or residential fire data using the calendar-accident year basis, the insurer must submit one record for each class under the calendar year premium-only method by zip code.
- c) If an insurer is unable to separate a homeowner endorsement for earthquake (classification code HQ) from the residential earthquake data (classification code REQ), the data should be reported as part of REQ using the instructions for reporting earthquake data in Section 4203.70. In like manner, earthquake data from an endorsement to a residential fire policy should be reported under the HQ code.
- d) The following provides a detailed description of each data field:
 - 1) FEIN - This alpha-numeric field reflects the Federal Employer Identification Number assigned to the insurer. (Do not include the hyphen, for example 555555555.)
 - 2) Filing Method - This one-character alpha-numeric field identifies the source of the data as either an agent or an insurance company. Possible codes are:
 - 1 = Insurance Association of Insurance Services (AIIIS)
 - 2 = Insurance Services Office, Inc. (ISO)
 - 3 = National Association of Independent Insurers (NAII)
 - 4 = National Independent Statistical Service (NISS)
 - 5 = Company Direct - Full
 - 6 = Company Direct - Partial
 - 7 = Other
 - 3) Line of Business - This alpha-numeric field identifies the general business line to which the data belongs. The possible codes are:
 - 5 = Homeowners
 - 10 = Residential Fire
 - 4) State Identifier - This field identifies the geographical source of the data. Possible codes are:
 - 12 = Illinois only

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MS = multi-state

- 5) Experience Method - This one-character alpha-numeric field designates the experience method for the statistical data year reported. The possible codes for these lines are:
C = Calendar year
A = Calendar-accident year
X = Calendar-premium-only
- 6) Statistical Data Year - This four-character alpha-numeric field reflects the experience year. (For example, the statistical data year for the November 1996 annual filing for the calendar year method will be coded 1995 and for the calendar-accident year method will be coded for one of the years 1990 - 1994.)
- 7) Zip Code - This alpha-numeric field identifies the zip code where the homeowner exposure is located. Possible codes are:
Actual zip code = The range for Illinois zip codes (60001 through 62999).

Note: There should be one record for each represented zip code for each of the classes HO-1, HO-2, HO-3, HO-4, HO-5, HO-6, HO-8, mobile, 423, 9A, 9B, and 9C for Illinois-only data and one record for each class reported for multi-state data. For the HEO class, reporting for Illinois-only data by zip code is required while multi-state reporting is not required. Insurers reporting homeowner or residential fire data using the calendar-recipient method of compiling annual experience must also report premium and exposure data using the calendar year premium-only method by zip code. For multi-state data, the zip code will be blank.

- B) Classification Code - This alpha-numeric field identifies the class of insurance being reported in the line. The insurer should report one record for multi-state data and one record for each class by zip code for Illinois-only data. It is not necessary to report a record that sums all zip code data for a class. Possible codes for the classification field are:
- HO-1
 - HO-2
 - HO-3
 - HO-4
 - HO-5
 - HO-6
 - HO-8
 - Mobile
 - 323 = Day care endorsement
 - HHQ = Homeowner earthquake endorsement

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- 9A = residential fire, building & contents (owner-occupied 1-4 units)
 - 9B = residential fire (contents only)
 - 9C = residential fire (building only non-owner-occupied)
- 9) Amount of Written Premium - This field reflects the amount of written premiums corresponding to each of the class codes HO-1 through HO-8, mobile homes, 323, HE0, 9A, 9B, and 9C.
- 10) Amount of Earned Premium - This field reflects the amount of earned premium corresponding to each of the class codes HO-1 through HO-8, mobile homes, 323, HE0, 9A, 9B, and 9C.
- 11) Amount of Paid Losses - This field reflects the paid losses corresponding to each of the class codes HO-1 through HO-8, mobile homes, 323, HE0, 9A, 9B, and 9C. Please see Section 4203.30(g) for the definition of paid losses.
- 12) Amount of Outstanding Losses - This field reflects the outstanding losses corresponding to each of the class codes HO-1 through HO-8, mobile homes, 323, HE0, 9A, 9B, and 9C.
- 13) Number of Written Exposures - This field reflects the count of exposures for each of the class codes HO-1 through HO-8, mobile homes, 9A, 9B, and 9C. (Note that class 323 and HE0 should be left blank for this field.)
- 14) Number of Paid Claims - This field reflects the paid claims count corresponding to each of the class codes HO-1 through HO-8, mobile homes, 323, HE0, 9A, 9B, and 9C. Please see Section 4203.30(f) for the definition of paid claims.
- 15) Number of Outstanding Claims - This field reflects the outstanding claims count corresponding to each of the class codes HO-1 through HO-8, mobile homes, 323, HE0, 9A, 9B, and 9C. Please see Section 4203.30(j) for the definition of outstanding claims.

Section 4203.90 Coding Conventions for Private Passenger Auto Liability Insurance (Excluding PIP)

This Section provides instructions for coding the 63 fields in the private passenger auto liability records, excluding ZIP. For the calendar year, premium-only records, the private passenger auto liability, Fields 1 through 9, 17, 18, 25, 26, 33, 41, 42, 49, 50 and 51 are to be reported. And, finally, private passenger auto liability records will be submitted by zip code.

- Data for the private passenger automobile liability line will be reported on the private passenger automobile liability line and will include only the voluntary market. No-fault data will be excluded.

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Insurers are also required to report premium and exposure data by zip code using the calendar year premium-only method of compiling annual experience.

- c) Applicable bodily injury and property damage data for split limit policies will be reported in Fields 9-49. The applicable data for single limit policies will be reported in Fields 49-63. Written exposures, written premium, and earned premium for single limit policies will be reported in Fields 49-51. Losses, loss adjustment expenses, and claims counts will be reported for bodily injury and property damage using the instructions in Fields 51-63.

d) The following provides a detailed description of each data field:

- 1) FEIN - This alpha-numeric field reflects the Federal Employer Identification Number assigned to the insurer. (Do not include the hyphen, for example 555555555.)
- 2) Filing Method - This one-character alpha-numeric field identifies the source of the data as either an agent or an insurance company. Possible codes are:
 1 = American Association of Insurance Services (AAIS)
 2 = National Association of Independent Insurers (NAII)
 3 = National Association of Statisticians (NAS)
 4 = National Association of Statisticians (NAS)
 5 = Company Direct - Partial
 6 = Company Direct - 100 Percent
 7 = Other

- 3) Line of Business - This alpha-numeric field identifies the general business line to which the data belongs. The code is:

- 4 = Private passenger auto liability

- 4) State Identifier - This field identifies the geographical source of the data. Possible codes are:

- 12 = Illinois only

- NS = multi-state

- 5) Experience Method - This one-character alpha-numeric field identifies the experience method for the statistical data year reported. The code for the private passenger auto liability line is:

- A = Calendar-accident year

- X = Calendar year premium-only

- 6) Statistical Data Year - This four-character alpha-numeric field reflects the experience year. (For example, the statistical data year field for the November 1996 annual filing, will be coded one of the years 1990 - 1994.)

- 7) Zip Code - This alpha-numeric field identifies the zip code where the automobile exposure is rated (auto is garaged). Possible codes are:

- Actual zip code = The range for Illinois zip codes (60001 through 62999).
- 99999 - Code for Illinois-only data where zip code does not fall within the range for Illinois zip codes (60001 through 62999).

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Note: There should be one record for each represented zip code for private passenger auto liability for Illinois only. There should be one record for the multi-state data. Each insurer will report premium and exposure data by zip code for private passenger automobile liability. For multi-state data, the zip code field will be blank.

- 8) Amount of PPA Liability Bodily Injury (BI) Written Premium - This field reflects the amount of written premiums for BI.
- 9) Amount of PPA Liability BI Earned Premium - This field reflects the amount of earned premiums for BI.

- 10) Amount of PPA Liability BI Paid Losses - This field reflects the paid losses for BI. Please see Section 4203.30(g) for the definition of paid losses.

- 11) Amount of PPA Liability BI Outstanding Losses - This field reflects the outstanding losses for BI. Please see Section 4203.30(g) for the definition of outstanding losses.

- 12) Amount of PPA Liability Paid Losses - This field reflects the paid losses for BI. If an insurer is unable to separate paid ALAE from the paid loss, the combined loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the paid ALAE field.

- 13) Amount of PPA Liability BI Outstanding ALAE - This field reflects the ALAE for BI. If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined loss and ALAE will be reported in the outstanding loss field for the line and the code "combined" will appear in the outstanding ALAE field.

- 14) Number of PPA Liability BI Written Exposures - This field reflects the count of written exposures for the line. PPA liability exposures are based on the bodily injury component, the definition of paid claims.

- 15) Number of PPA Liability BI Paid Claims - This field reflects the number of paid claims for BI. Please see subsection 4203.30(1) for the definition of paid claims.

- 16) Number of PPA Liability BI Outstanding Claims - This field reflects the outstanding claims count for BI. Please see Section 4203.30(1) for the definition of outstanding claims.

- 17) Amount of PPA Liability Property Damage Written Premium - This field reflects the amount of written premiums for property damage liability.

- 18) Amount of PPA Liability Property Damage Earned Premium - This field reflects the amount of earned premiums for property damage liability.

- 19) Amount of PPA Liability Property Damage Paid Losses - This field reflects the paid losses for property damage liability. Please see Section 4203.30(g) for the definition of paid losses.

- 20) Amount of PPA Liability Property Damage Outstanding Losses - This field reflects the outstanding losses for property damage liability. Please see Section 4203.30(g) for the definition of outstanding losses.

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- 21) Amount of PPA Paid Liability Property Damage ALAE - This field reflects ALAE for property damage liability. If an insurer is unable to separate the amount of written premiums for medical payments, the combined loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the paid ALAE field.
- 22) Amount of PPA Outstanding Liability Property Damage ALAE - This field reflects outstanding ALAE for property damage liability. If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined outstanding loss and outstanding ALAE will be reported in the outstanding loss field for the line and the code "combined" will appear in the outstanding ALAE field.
- 23) Number of PPA Liability Property Damage Paid Claims - This field reflects the paid claims count for property damage liability. Please see Section 4203.30(i) for the definition of paid claims.
- 24) Number of PPA Liability Property Damage Outstanding Claims - This field reflects the outstanding claims count for property damage liability. Please see Section 4203.30(j) for the definition of outstanding claims.
- 25) Amount of PPA Liability UM/UIM Written Premium - This field reflects the written premiums for UM/UIM.
- 26) Amount of PPA Liability UM/UIM Earned Premium - This field reflects the earned premiums for UM/UIM.
- 27) Amount of PPA Liability UM/UIM Paid ALAE - This field reflects the paid losses for UM/UIM. Please see Section 4203.30(g) for the definition of paid losses.
- 28) Amount of PPA Liability UM/UIM Outstanding Losses - This field reflects the outstanding losses for UM/UIM. Please see Section 4203.30(g) for the definition of outstanding losses.
- 29) Amount of PPA Liability UM/UIM Paid ALAE - This field reflects the ALAE for UM/UIM liability. If an insurer is unable to separate paid ALAE from the combined loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the paid ALAE field.
- 30) Amount of PPA Liability UM/UIM Outstanding ALAE - This field reflects the outstanding ALAE for UM/UIM liability. If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the outstanding ALAE field.
- 31) Number of PPA Liability UM/UIM Paid Claims - This field reflects the paid claims count for UM/UIM liability. Please see Section 4203.30(i) for the definition of paid claims.
- 32) Number of PPA Liability UM/UIM Outstanding Claims - This field reflects the outstanding claims count for UM/UIM liability. Please see Section 4203.30(j) for the definition of outstanding claims.

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- 33) Amount of PPA Liability Medical Payments Written Premium - This field reflects the amount of written premiums for medical payments.
- 34) Amount of PPA Liability Medical Payments Earned Premium - This field reflects the amount of earned premiums for medical payments.
- 35) Amount of PPA Liability Medical Payments Paid Losses - This field reflects the paid losses for medical payments. Please see Section 4203.30(g) for the definition of paid losses.
- 36) Amount of PPA Liability Medical Payments Outstanding Losses - This field reflects the outstanding losses for medical payments. Please see Section 4203.30(g) for the definition of outstanding losses.
- 37) Amount of PPA Liability Medical Payments Paid ALAE - This field reflects ALAE for medical payments. If an insurer is unable to separate paid ALAE from the paid loss, the "combined" loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the paid ALAE field.
- 38) Amount of PPA Liability Medical Payments Outstanding ALAE - This field reflects ALAE for medical payments. If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined loss and ALAE will be reported in the outstanding loss field for the line and the code "combined" will appear in the paid ALAE field.
- 39) Number of PPA Liability Medical Payments Paid Claims - This field reflects the paid claims count for medical payments. Please see Section 4203.30(i) for the definition of paid claims.
- 40) Number of PPA Liability Medical Payments Outstanding Claims - This field reflects the outstanding claims count for medical payments. Please see Section 4203.30(j) for the definition of outstanding claims.

Note: Fields 41-48 will be blank for the majority of private passenger auto liability insurers. The purpose of the other component is to capture any private passenger auto liability data from insurers that do not fall within bodily injury, property damage, UM/UIM, or medical payments.

- 41) Amount of PPA Liability Other Written Premium - This field reflects the amount of written premiums for other (not fitting any other private passenger auto liability field).
- 42) Amount of PPA Liability Other Earned Premium - This field reflects the amount of earned premiums for other (not fitting any other private passenger auto liability field).
- 43) Amount of PPA Liability Other Paid Losses - This field reflects the paid losses for other (not fitting any other private passenger auto liability field).
- 44) Amount of PPA Liability Other Outstanding Losses - This field reflects the outstanding losses for other (not fitting any other

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private passenger auto liability field). Please see Section 4203.30(g) for the definition of outstanding losses.

- 45) Amount of PPA Liability Other Paid ALAE - This field reflects the paid ALAE for other (not fitting any other private passenger auto liability field). If an insurer is unable to separate paid ALAE from the paid loss, the combined loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the paid ALAE field.

- 46) Amount of PPA Liability Other Outstanding ALAE - This field reflects the outstanding ALAE for other (not fitting any other private passenger auto liability field). If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined loss and ALAE will be reported in the outstanding loss field for the line and the code "combined" will appear in the outstanding ALAE field.

- 47) Number of PPA Liability Other Paid Claims - This field reflects the number of PPA Liability Other Paid Claims for the line and the code "combined" will appear in the paid claims count for other (not fitting any other liability field). Please see Section 4203.30(i) for the definition of paid claims.

- 48) Number of PPA Liability Other Outstanding Claims - This field reflects the outstanding claims count for other (not fitting any other liability field). Please see Section 4203.30(j) for the definition of outstanding claims.

Note: Fields 49-63 provide the fields for an insurer to report its private passenger auto liability policies written with a single limit. If none were written for the experience period, these fields will be left blank.

- 49) Number of PPA Liability Single Limit (SL) Written Exposures - This field reflects the count of exposures written under single limit PPA Liability Single Limit (SL) Written Premium -

- 50) Amount of PPA Liability for Single Limit (SL) Written Premium - This field reflects the amount of written premiums for policies written under single limit policies.

- 51) Amount of PPA Liability for SL Earned Premium - This field reflects the amount of earned premiums for policies written under single limit policies.

- 52) Amount of PPA Liability BI Paid Losses for SL Policies - This field reflects the amount of paid losses for bodily injury under single limit policies. Please see Section 4203.30(g) for the definition of paid losses.

- 53) Amount of PPA Liability BI Outstanding Losses for SL Policies - This field reflects the amount of outstanding losses for bodily injury under single limit policies. Please see Section 4203.30(g) for the definition of outstanding losses.

- 54) Number of PPA Liability BI Paid Claims for Single Limit Policies - This field reflects the paid ALAE for bodily injury under single limit policies. If an insurer is unable to separate paid ALAE from the paid loss, the combined loss and ALAE will be reported in

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paid loss field for the line and the code "combined" will appear in the paid ALAE field.

- 55) Amount of PPA Liability BI Outstanding ALAE for SL Policies - This field reflects the outstanding ALAE for bodily injury under single limit policies. If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined loss and ALAE will be reported in the outstanding loss field for the line and the code "combined" will appear in the outstanding ALAE field.

- 56) Number of PPA Liability BI Paid Claims for SL Policies - This field reflects the paid claims count for bodily injury under single limit policies. Please see Section 4203.30(i) for the definition of paid claims.
- 57) Number of PPA Liability BI Outstanding Claims for SL Policies - This field reflects the number of outstanding claims count for bodily injury under single limit policies. Please see Section 4203.30(j) for the definition of outstanding claims.

- 58) Amount of PPA Liability Property Damage (PD) Paid Losses for SL Policies - This field reflects the paid losses for property damage under single limit policies. Please see Section 4203.30(g) for the definition of paid losses.

- 59) Amount of PPA Liability PD Outstanding Losses for SL Policies - This field reflects the outstanding losses for property damage under single limit policies. Please see Section 4203.30(g) for the definition of outstanding losses.

- 60) Amount of PPA Liability PD Paid ALAE for SL Policies - This field reflects the paid ALAE for property damage under single limit policies. If an insurer is unable to separate paid ALAE from the paid loss, the combined loss and ALAE will be reported in the paid loss field for the line and the code "combined" will appear in the paid ALAE field.

- 61) Amount of PPA Liability PD Outstanding ALAE for SL Policies - This field reflects the outstanding ALAE for property damage under single limit policies. If an insurer is unable to separate outstanding ALAE from the outstanding loss, the combined loss and ALAE will be reported in the outstanding loss field for the line and the code "combined" will appear in the outstanding ALAE field.

- 62) Number of PPA Liability PD Paid Claims - This field reflects the paid claims count for property damage under single limit policies. Please see Section 4203.30(i) for the definition of paid claims.

- 63) Number of PPA Liability PD Outstanding Claims - This field reflects the outstanding claims count for property damage under single limit policies. Please see Section 4203.30(j) for the definition of outstanding claims.

Section 4203.100 Coding Conventions for Private Passenger Auto Physical Damage

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This Section provides instructions for coding the 26 fields included in the private passenger auto physical damage records. Insurers writing private passenger auto physical damage will not submit calendar year premium-only records.

- Private passenger auto physical damage data are to be reported on a calendar-year basis for only the voluntary market.
- In the private passenger physical damage line, the insurer will code one record for the line for multi-state data and one record for the line for each zip code represented in the Illinois-only data. It is not necessary to submit a record which sums the Illinois-only data for all the zip codes. No calendar year premium-only records are required.

The following provides a detailed description of each data field:

- 1) ZIN - This alpha-numeric field reflects the Federal Employer Identification Number assigned to the insurer. (Do not include the hyphen for example 555555555.)
- 2) Pilling Method - This one-character alpha-numeric field identifies the source of the data as either an agent or an insurance company. Possible codes are:
 - 1 = American Association of Insurance Services (AAIS)
 - 2 = Insurance Services Office, Inc. (ISO)
 - 3 = National Association of Independent Insurers (NAII)
 - 4 = National Independent Statistical Service (NISS)
 - 5 = Company Direct - Partial
 - 6 = Company Direct - 100 Percent
 - 7 = Other Business
- 3) Line of Business - This alpha-numeric field identifies the general business line to which the data belongs. The code for private passenger auto physical damage is 100.
- 4) State Identifier - This field identifies the geographical source of the data. Possible codes are:
 - 12 = Illinois only
 - MS = multi-state
- 5) Experience Method - This one-character alpha-numeric field designates the experience method for the statistical data year reported. The code for the private passenger auto physical damage line is:
 - C = Calendar Year
- 6) Statistical Data Year - This four-character alpha-numeric field reflects the experience year. (For example, the statistical data year for the November 1996 annual filing, will be coded 1995.)
- 7) Zip Code - This alpha-numeric field identifies the zip code where the Illinois-only exposure is written. Possible codes are:
 - Actual zip code - The range for Illinois zip codes (60001 through 69999).
 - 99999 = Code for Illinois-only data where zip code does not fall within the range for Illinois zip codes (60001 through 69999).

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Note: There should be one physical for each represented zip code for private passenger auto physical damage for Illinois-only data. It is unnecessary to submit a record that sums the data for all the zip codes. For multi-state data, the zip code field should be blank.

- 8) Amount of PPA Physical Damage Comprehensive (Comp) Written Premium - This field reflects the amount of written premiums for comprehensive.
- 9) Amount of PPA Comprehensive Earned Premium - This field reflects the amount of earned premiums for comprehensive.
- 10) Amount of PPA Comprehensive Paid Losses - This field reflects the paid losses for comprehensive. Please see Section 4203.30(g) for the definition of paid losses.
- 11) Amount of PPA Comprehensive Outstanding Losses - This field reflects the outstanding losses for comprehensive. Please see Section 4203.30(g) for the definition of outstanding losses.
- 12) Number of PPA Comprehensive Written Exposures - This field reflects the written exposure count for private passenger auto physical damage - using the comprehensive component.
- 13) Number of PPA Comprehensive Paid Claims - This field reflects the paid claims count for comprehensive. Please see Section 4203.30(i) for the definition of paid claims.
- 14) Number of PPA Comprehensive Outstanding Claims - This field reflects the outstanding claims count for comprehensive. Please see Section 4203.30(j) for the definition of outstanding claims.
- 15) Amount of PPA Collision Written Premium - This field reflects the amount of written premiums for collision.
- 16) Amount of PPA Collision Property Damage Earned Premium - This field reflects the earned premium for collision.
- 17) Amount of PPA Collision Paid Losses - This field reflects the paid losses for collision. Please see Section 4203.30(g) for the definition of paid losses.
- 18) Amount of PPA Collision Outstanding Losses - This field reflects the outstanding losses for collision. Please see Section 4203.30(g) for the definition of outstanding losses.
- 19) Number of PPA Collision Paid Claims - This field reflects the paid claims count for collision. Please see Section 4203.30(i) for the definition of paid claims.
- 20) Number of PPA Collision Outstanding Claims - This field reflects the outstanding claims count for collision. Please see Section 4203.30(j) for the definition of paid claims.

Note: Fields 21-26 will be blank for the majority of private passenger auto physical damage insurers. The purpose of the other category is to report any private passenger auto physical damage from insurers that do not report collision components.

- 21) Amount of PPA Other Written Premium - This field reflects the amount of other written premiums for other (not fitting in comp or collision).

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- 22) Amount of PPA Other Earned Premium - This field reflects the amount of earned premiums for other (not fitting in comp or collision) PPA Other Paid Losses - This field reflects the paid losses for other (not fitting in comp or collision). Please see Section 4203.30(g) for the definition of paid losses.
- 24) Amount of PPA Other Outstanding Losses - This field reflects the outstanding losses for other (not fitting in comp or collision). Please see Section 4203.30(g) for the definition of outstanding losses.
- 25) Number of PPA Other Paid Claims - This field reflects the paid claims count for other (not fitting in comp or collision). Please see Section 4203.30(i) for the definition of paid claims.
- 26) Number of PPA Other Outstanding Claims - This field reflects the outstanding claims count for other (not fitting in comp or collision). Please see Section 4203.30(j) for the definition of outstanding claims.

Section 4203.110 Record Layout for the Four Formats

The following table below should assist users and data processing personnel in understanding the requirements of this Part. This Section provides the required fields for each line or type of insurance. Special attention should be given to the classes that are reported on a calendar year premium-only basis.

- The calendar year premium-only records for other liability, medical malpractice, earthquake (RQ), BOP, excess insurance, and commercial auto liability will have entries only in fields 1-10 and 15. Please follow the specific instructions for each of these 11 fields. (Note that insurers that use a calendar year method of annual compilation for reporting earthquake (RQ) or excess insurance classes need not submit calendar year premium-only records for these classes.)
- The calendar year premium-only records for homeowner and residential fire will have entries only in fields 1-10 and 13. Please follow the specific instructions for each of these 11 fields. (Note that calendar year premium-only records are not required for these lines if insurers use the calendar year method of annual compilation for reporting this data.)
- For the private passenger auto liability line, Fields 1-9, 14, 17, 18, 25, 26, 33, 34, 41, 42, 49, 50, and 51 are to be reported. Please follow the specific instructions for each of these 21 fields.
- Since private passenger auto physical damage is reported on a calendar year basis, no calendar year premium-only records are required.

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- Zip code reporting is required for homeowner, residential fire, and private passenger liability for the calendar year premium-only records.

Due to space limitations, the following abbreviations were used in this table:

Wc Prem = Written Premium
OS = Outstanding
BI = Bodily Injury
Med Pay = Medical Payments
SL = Single Limit
E Prem = Earned Premium
ALAE = Allocated Loss Adjustment Expenses
PD = Property Damage
UN/UM = Uninsured/Underinsured Motorists
Comp = Comprehensive
Pd = Paid
Coll = Collision Other Liab, Medical

Other Liab, Medical
Malpractice, Earthquake
(RQ), BOP, Excess
Insurance, and
Commercial Auto Liab

1. FEIN #	2. Filing Method	3. Line of Business	4. State ID	5. Experience Method	6. Statistical Data Yr	7. Classification Code	8. Form Type(1)	9. Amt of Wc Prem	10. Amt of E Prem	11. Amt of Pd Losses	12. Amt of OS Losses	13. Amt of Pd ALAE(1)	14. Amt of OS ALAE(1)	15. # of Wc Exposures(2)	Other Liab, Medical Malpractice, Earthquake (RQ), BOP, Excess Insurance, and Commercial Auto Liab	Homewoners Res Fire	Priv Pass Auto Liability	Priv Pass Auto Physical Damage
FEIN #	Filing Meth	Line of Bus	State ID	Exp Meth	Stat Data Yr	Zip Code(3)	Amt BI Wc Prem	Amt BI E Prem	Amt BI Pd Loss	Amt Pd Loss	Amt OS Loss	Amt BI Pd ALAE	# of Wc Exp	# Pd Claims	# OS Claims	# BI Pd Claims	Wc Prem	Priv Pass Auto Physical Damage

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Other Liab., Medical
Malpractice, Earthquake
(RSQ), BOP, Excess
Insurance, and
Commercial Auto Liab

Homeowners Res File	Priv Pass Auto Liability	Priv Pass Auto Physical Damage
58.	Ant of PD SL Pd Losses	
59.	Ant of PD SL OS Losses	
60.	Ant of PD SL Pd AD&E	
61.	Ant of PD SL OS AD&E	
62.	# of PD SL Pd Claims	
63.	# of PD SL OS Claims	

Table:

- (1) This field should be left blank for earthquake data.
 (2) This field should be left blank for earthquake, BOP, and excess insurance data.
 (3) This field should be left blank for multi-state data.

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- 1) Heading of the Part: Conservation 2000 - Natural Resources Cost-Share Program
- 2) Code Citation: 17 Ill. Adm. Code 1522
- 3) Section Numbers: Proposed Action:
 1522.10 New Section
 1522.20 New Section
 1522.30 New Section
 1522.40 New Section
 1522.50 New Section
 1522.60 New Section
 1522.70 New Section
 1522.80 New Section
 1522.90 New Section
 EXHIBIT A New Section
 EXHIBIT B New Section
 EXHIBIT C New Section
- 4) Statutory Authority: Implementing and authorized by Section 62-31 of the State Finance Act [30 ILCS 105/62-31].
- 5) A Complete Description of the Subjects and Issues Involved: This rule establishes and describes a new natural resource cost-share program to be made available to landowners within Ecosystem Partnership Areas. The new program allows cost-share on a broader range of conservation practices than has traditionally been available through agricultural cost-share programs. It also builds upon existing agricultural and other Department of Natural Resource cost-share programs.
- 6) Will this rulemaking replace any emergency rulemaking currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this rulemaking contain incorporations by reference? Yes
- 9) Are there any other proposed rulemakings pending on this part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local government.
- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on the proposed rule may be submitted, in writing for a period of 45 days following publication of this notice to:

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Jack Price
Department of Natural Resources
524 S. Second Street
Springfield, IL 62701-1787
217/782-1809

- 12) Initial Regulatory Flexibility Analysis: This rulemaking does not regulate small businesses. It deals with a grant program in which private and public landowners may participate voluntarily.

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rule was summarized: January 1997

The full text of the Proposed Rules begins on the next page:

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TITLE 17: CONSERVATION
CHAPTER 1: DEPARTMENT OF NATURAL RESOURCES
SUBCHAPTER d: FORESTRY

PART 1522

CONSERVATION 2000 - NATURAL RESOURCES COST-SHARE PROGRAM

Section

1522.10 General

1522.20 Eligibility

1522.30 Habitats to be Established, Protected and Improved

1522.40 Practices

1522.50 Integrated Natural Resources Management Plans

1522.60 Period of Completed Practices

1522.70 Appeal

1522.80 Information

1522.90 Penalty

EXHIBIT A Integrated Natural Resources Management Plan Certification

EXHIBIT B Cost-Share Practices: Percent and Maximum Payments

EXHIBIT C Application

AUTHORITY: Implementing and authorized by Section 62-31 of the State Finance Act [30 ILCS 105/62-31].

SOURCE: Adopted at 21 Ill. Reg. _____, effective _____.

Section 1522.10 General

- a) The purpose of this program is to contribute to the protection of a system of functional ecosystems in both public and private ownership by making available incentives to landowners in the form of cost-shared natural resource management practices. Ecosystem Partnerships will be used to promote conservation and responsible use of natural resources. Furthermore, the program provides ways and means to assist Ecosystem Partnerships participating in the Ecosystems Program of Conservation 2000 to implement ecosystem management practices and strategies. The success of each Ecosystem Partnership in contributing to an ecosystem-based management strategy will depend to a great extent on the cooperation, commitment, and contributions of private landowners within each Ecosystem Partnership area. This Part establishes a cost-share incentive program to implement natural resource conservation practices on lands within the designated Ecosystem Partnership area. It is a coalition of local interests within a watershed-based ecosystem. An Ecosystem Partnership Area is a watershed-based ecosystem area which has a Local Partnership Council. Working within an Ecosystem

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Partnership Area the Department will be able to:

- 1) Preserve, protect and restore the natural diversity of Illinois;
- 2) benefit wildlife, promote soil conservation, and enhance water quality;
- 3) provide for the outdoor recreational needs of the people of Illinois;
- 4) enhance the economic climate of the State of Illinois;
- 5) protect and restore Natural Resource Management Plan (INRMP) (see Section 1522-20(b)(1)) will be selected by the landowner, approved by the Illinois Department of Natural Resources (IDNR), and entered on the cost-share agreement.
- 6) The maximum program payment and the percentage of costs paid are outlined on Exhibit B - Cost-Share Practices: Percent and Maximum Payments.

Section 1522-20 Eligibility

- a) Land - Lands within an area where the Director of the Department of Natural Resources has recognized an Ecosystem Partnership will be eligible. Holdings of 5 acres or more constitute the minimum size. Permanent structures require the exclusion of one acre or a greater portion of the structure(s) occupy more than one acre. Fractional parts of an acre will constitute a minimum size. Riparian zone improvements along riparian zones will be exempt from any acreage limitations. There will be no minimum acreage requirements for work adjacent to perennial streams or rivers. A Local Partnership Council is a group of citizens who have applied to and been accepted by the Director of the Department of Natural Resources to represent members of an Ecosystem Partnership in soliciting funding for an Ecosystem Partnership Area.
- b) Landowners - All private land owners are eligible. Public lands are eligible for practices only under Community Tree Planting. The following provisions must be met or maintained:
 - 1) The landowner must have an Integrated Natural Resource Management Plan (INRMP), approved by IDNR. Plans prepared by other agencies (e.g., Soil and Water Conservation Districts, Natural Resources Conservation Service and U.S. Fish and Wildlife Service) which meet the requirements of INRMP can be approved.
 - 2) All cost-share practices must be requested on the application form (Exhibit C) provided by IDNR and approved by the District Manager with lead responsibility for the practice.

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- 3) All practices (measured in acres) must be a minimum of one acre.
- 4) Minimum practice lifespan (except Community Tree Planting) is 10 years, but may be of longer duration.
- 5) Practices must be completed within 18 months of approval. One 6 month extension may be utilized if approved by the District Manager responsible for the oversight of the practices.
- 6) This is a reimbursement cost-share program. Advance payment must be received by IDNR. Furthermore, cost-share payment cannot be made to a third party.
- 7) Only approved and satisfactorily completed practices provide the basis for reimbursement to landowners.
- 8) Landowners must provide an itemized statement with paid receipts for expenses incurred in the implementation of the approved practice. In determining the cost of a landowner or family member doing the practices, the labor rate shall not exceed \$12 per hour. Reimbursement for amounts less than \$50 will not be processed for payment.
- 9) The cost-share rate is 75%. Payments are not to exceed the established maximum amounts for each practice. However, plant materials purchased from IDNR approved private commercial nurseries will be reimbursed at 100% based on pre-established prices including shipping, except for Community Tree Planting practices.
- 10) Projected cost-share is possible. Cost-share funds from a federal program and Conservation 2000 may jointly be used to fund practices. Landowners may not be reimbursed more than the actual cost not to exceed the base cost of the practice. The base cost represents the amount upon which the cost-share maximum is derived. Federal programs will be used for initial payment. When federal or other cost-share program practices are utilized concurrently with Conservation 2000, the cost-share rate shall equal the rate of the other concurrent cost-share program in effect in the county where the practice is installed. The Conservation 2000 cost-share rate and the "not to exceed per proportionate unit amount" (Exhibit B), shall be adjusted to the actual maximum fixed rate in effect. The adjusted maximum fixed rate is determined by taking the federal adjusted percent rate times the average cost per acre.
- 11) While this is a reimbursement cost-share program for the implementation of a specific practice, it cannot be combined with another State program for that same practice.
- 12) Other parties, buyers or heirs can assume custody, rights, privileges and obligations of the INRMP by signing an agreement to adopt the INRMP.
- 13) Pesticides used in performing practices must be coordinated into an Integrated Pest Management (IPM) portion of the INRMP. Products used must be registered at the federal, State and local level, if required, and applied according to label directions and

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precautions.

- 14) Cost-share practices may be attempted a second time if practice failure was not the direct fault of the landowner.
- 15) Cost-share practice areas can be utilized for the consumption of renewable resources. The use of cost-share practice areas for leased hunting, fishing, or other recreational use is permitted, but shall not include the use of such areas for other purposes specified in the INRMP. Management, by design, must be such as to provide for successful regeneration or restoration of plants and animals.
- 16) Except as approved by INDR, exotic plants and animals shall not be knowingly released or cultured on land covered by the INRMP.
- 17) Conversion of a cost-shared practice to another non-program land use prior to the expiration of the practice will require a 100% refund of the cost-share payment.
- 18) Grazing by livestock, horses, or captive wildlife is not an authorized land use during the lifespan of the practice.
- 19) Cost share funds shall not be used for the establishment or production of fruit and nut orchards, aquaculture, grass or forb seed production, greenhouse reservoirs, commercial campgrounds, Christmas tree production, nurseries, licensed hunting preserves, lead construction, barbed wire, gates, or boundary fences.
- 20) No land shall be included in a cost-share practice.
- 21) Maximum dollars of cost-share available to any unit of local government or combination of units of governments in a community shall not exceed \$10,000 per year for Community Tree Planting.
- 22) All practices will be consistent with Director approved INDR policies.

Section 1522.30 Habitats to be Established, Protected and Improved

- a) Aquatic - means open water, retention ponds, marshes, swamps, bogs, fens, rivers, streams and other wetlands.
- b) Forest - means any land area (at least 5 acres in size and 100 feet wide) to be forested and/or the culture of established forests. Planting of native hardwoods and shrubs will be specified in the INRMP. Forests to be forested include, but are not limited to, oaks, hickories, red pines, white pines, Eastern red pines, and cypresses, which are native and cultured. In Southern Illinois, South of US Route 40, shortleaf and loblolly pine may be planted.
- c) Grasslands - means grass dominated habitats, such as prairies and savannas. The practices allow the establishment or culture of native grasses, forbs and woody plants. Also included is the establishment of non-native grasses and legumes for the benefit of wildlife. Grass and legume species must be approved by INDR. However, use of non-native grasses and legumes shall not be approved where they degrade native communities or restorations of native communities.
- d) Habitat for Threatened and Endangered Species - means to restore, protect, enhance, and maintain threatened or endangered native plants

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and animals and their unique communities identified by the Illinois Endangered Species Protection Board.

e) Renewable Resource Management, Energy Conservation and Outdoor Recreation Definitions.

- 1) Agroforestry Establishment (Alley Cropping) - The establishment of a stand of trees in agroecosystems on the same areas as cropland, integrated, diverse, profitable and sustainable land systems.
- 2) Field Windbreak Installation - The establishment of trees and/or shrubs to reduce the local effects of blowing snow and soil, provide travel corridors for wildlife, and establish additional habitat.
- 3) Outdoor Recreation Enhancement - The practice encourages the development of low intensity, low impact recreational uses (such as foot trails and scenic overlooks for landowner use).
- f) Special Habitats or Unique Natural Features - means to protect, restore, and maintain unique natural features or habitats such as caves, cliffs, hibernacula, etc.

Section 1522.40 Practices

Practices are the building blocks used to implement management objectives. Only those practices necessary to accomplish the objective of the INRMP should be included and used. For rates, see Exhibit B - Cost-Share Practices: Percent and Maximum Payments.

a) Exotic Vegetation Control

- 1) The purpose of this practice is to eliminate or reduce the intrusion of exotic plants and to enhance the regeneration and development of native species.
- 2) Apply this practice to any habitat where exotic vegetation is already a problem, or where a problem is likely to occur.
- 3) Use prescribed fire, chemical, mechanical, or predator means as treatments for exotic vegetation control. Multiple treatments in combinations may be needed.

b) Fencing

- 1) Fences are only for exclusion of livestock.
- 2) Only permanent fences are allowed.
- 3) Cost-Share Rates/Specification - The cost-share amounts vary by type of fence constructed.

- A) A woven wire fence must consist of at least a 26 inch woven wire with at least 2 strands of barbed wire on top.
- B) A barbed wire fence must be at least 3 strands.
- C) If other fence materials are used, all-weather wood or native lumber highly resistant to decay may be substituted for barbed wire if required for certain domestic animals.
- D) A suspension fence will consist of at least 4 strands of barbed wire, with the distance between posts not to exceed 100 feet and sufficient wire spacers to prevent sagging.

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- E) A high-tensile fence will consist of at least 6 strands of wire, with the distance between posts not to exceed 100 feet with sufficient droppers to maintain proper wire spacing.

c) Field Windbreaks

The purpose of this practice is to establish field windbreaks which will at maturity protect a 200 foot zone on downwind side.

- 1) Species: Planting of trees and shrubs will be specified in the NRMSP for the area to be protected. Conifers, including red pine, white pine, eastern spruce, and Norway spruce, are to be used. Hardwood trees and shrubs are acceptable species for field windbreaks.
- 2) Windbreaks will be cost-shared per lineal foot per row.

3) Cost-share is not authorized for the following:

- A) establishing a tree species in a windbreak for orchard trees, ornamental or nursery stock, or for Christmas tree production.
- B) girdling and/or removal of an entire windbreak except if, in the judgment of the District Manager, the stand treatment requires this practice.

d) Forestation and Shrub Establishment

The purpose of this practice is to establish a stand of forest trees and/or shrubs for conservation benefits.

- 1) The following guidelines for establishing a stand of forest trees and/or shrubs will be followed:
 - i) 50 miles north of the Wisconsin-Illinois border;
 - ii) 50 miles south of the Wisconsin-Illinois border;
 - iii) a north-south line extended along the eastern border of Ohio; and
 - iv) 100 miles south of the Ohio River.

2) Site preparation for planting seedlings or direct seeding of trees and shrubs shall be as follows:

- A) Seedling production and distribution will be used primarily to provide favorable conditions for the establishment of seedling trees and shrubs.
- B) Reducing competition by employing mechanical and chemical means as spot or band treatments located with respect to the planned stocking and spatial arrangement. Broadcast treatment of the planting site is generally not needed, but may be used on some occasions as determined by the District Manager(s) and described in the NRMSP.
- C) Temporary vegetative cover may be established if the planting must be delayed or if erosion poses a severe

- threat. Use oats, annual rye grass or other non-perennial grasses.
- D) Site preparation must be approved by the District Manager and must include the following standards and specifications:
- 1) Cost-share categories and variable cost-share levels are:

Level 1 - Vegetation or heavy residues which will cause some difficulty in normal planting.

Level 2 - 60% or more of area is sod and broad leaved herbaceous plants. Or, up to 40% of area is in light woody cover with stems 2 inches or less in diameter at ground line.

Level 3 - More than 40% of area occupied by woody vegetation, briars, vines, or woody stems 2 inches in diameter or less at ground line, but can include up to 20 stems per acre greater than 2 inches at ground line.

Level 4 - More than 40% of area occupied by woody vegetation greater than 2 inches in diameter at ground line; or more than 25 stems per acre greater than 2 inches diameter at ground line.

- ii) Site preparation is limited to areas having undesirable vegetative growth (such as grass sod, perennial and annual broad leaved plants and trees and brush which do not meet the NRMSP objectives) which will be replanted to desirable tree/shrub species.

- iii) Measures necessary to minimize erosion must be undertaken, and plantings must be according to NRMSP. Measures may include, but are not limited to, hand planting, machine planting on contour, establishment of temporary herbaceous cover; the use of herbicides for minimum disturbance of established cover.

- iv) Site preparation may be undertaken mechanically with machinery which includes all normal farm tillage implements, and other implements used in chopping, sawing, or scalping. Soil conservation must be a priority when this method is utilized.

3) Tree and Shrub Planting

- A) Trees: Minimum #/Acre = 435
Maximum #/Acre = 1,000
- B) Shrubs: Minimum #/Acre = 200
Maximum #/Acre = 1,750

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- C) Plantings must meet the following standards and specifications:
- Selected tree species and seed sources to be planted must be in accordance with the INRMP.
 - Plantings must be made in accordance with the INRMP.
 - At least 90% of the conifer stock must be not less than 3/32 inch in caliper at 1 inch above the root collar (nursery soil line). At least 90% of the hardwood stock shall be 7/32 inch caliper or greater at 1 inch above the root collar (nursery soil line).

At least 90% of the shrub stock must be not less than 4/32 inch in caliper at 1 inch above the root collar (nursery soil line). In addition to the standards above, hardwood stock purchased from private nurseries must be selected from the 12-18 inch category as described in the nursery's catalog or other written description.

- Spacing requirements are as follows: Spacing requirements shall be prescribed in the INRMP and will vary depending upon species and management objectives of the landowner. Spacing shall insure that no less than 435 or more than 1,000 trees are planted per acre or no less than 200 or more than 1,750 shrubs are planted per acre. Interplantings within wooded areas are to be spaced a minimum of 6 feet apart in openings which receive partial or full sunlight. Variations in spacing standards may be made in accordance with written recommendations approved by the District manager.

- Stocking and replanting requirements: At least 70% of the planted trees or shrubs must be maintained throughout the practice lifespan. Cost-share assistance for replanting will be available where losses are due to natural causes, such as heat, drought, flood, hail, and similar occurrences, if 70% of a stand is not obtained, or if a stand deteriorates to less than 70% within the first 2 growing seasons due to the natural causes mentioned above.

- Direct seeding
Use this practice in place of tree/shrub planting or to augment a seedling planting.

- Planting specifications and guidelines shall not exceed those recommended in: "Direct seeding of Southern Oaks - A PROGRESS REPORT", by Robert L. Johnson and Roger W. Krinard, Southern Forestry Laboratory, Stoneville, Forest Sciences Department, USDA (1988) (no later editions are included) and/or the guidelines offered in Silvics of Forest

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Trees of the United States (1974), Agriculture Handbook 271, Forest Service, USDA, Washington, D.C. 20250 (no later editions or amendments are included).

- If, after 2 full growing seasons there are less than 150 seedlings of acceptable growing stock per acre, no further attempts to direct seed shall be made. However, tree planting may be done according to the guidelines for the Tree and Shrub Planting practice to meet minimum stocking levels.

- Measures to protect seed from predator pilferage shall be required when appropriate.

- Site preparation measures as specified in the INRMP will be completed prior to direct seeding.

- Completion of seedling requirements:
 - This practice shall pay for seed collected or purchased from local and nearby sources.
 - Seed shall be local, acorn, or chestnut.
 - Seed shall be collected from a zone within 100 miles north of the site or within 200 miles south of the site.

- Site preparation measures are best done before direct seeding. Additional treatments to introduce adequate sunlight and to reduce competition may be needed.

- Overstory removal may be required following establishment of seedlings/saplings.

- Site Preparation for Natural Regeneration
The purpose of this practice is to establish a stand of appropriate forest species through natural regeneration. Additional measures shall be authorized for seedlings, if any regeneration treatment was used, or seedlings, if any uncontrollable circumstances (i.e., weather, related problems, etc.) natural regeneration fails to become established to the required stocking level.

- For this practice to be successful, a minimum of 30% of the available light must reach the forest floor. Other site factors can be modified to enhance regeneration, by means of: reduction or elimination of competing vegetation, including unmerchantable or undesirable trees and brush, discing or tillage, use of foliar, cut surface or injected herbicides, mechanical removal of shallow rooted species, prescribed burning and other measures as prescribed.

- The prescription in the INRMP shall address the process outlined in "Regenerating Red Oaks", by Rod Jacobs, Forest Service, State and Private Forestry, Stoneville, Forest Sciences Department, USDA (1988) (no later editions or amendments are included). The prescription shall also address the "Elements of a Silvicultural Prescription" and

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treatment may also be omitted if a double girdle is utilized. Double girdling shall be done only when stump sprouting will not be a serious problem. This method is described in Central Hardwood Notes, 6.10, August 1989 (no later editions or amendments are included), Northeastern Area, State and Private Forestry, USDA Forest Service. Both exceptions above must be approved in writing by the District Manager. All other FSI treatment methods require use of approved herbicides.

- v) Cost-share assistance will not be provided for any acre from which commercial products are being sold or traded in the process of carrying out the FSI practices.

2) Pruning Crop Trees

- A) This practice shall be used solely to improve the quality of lower logs in selected high value species for the production of high quality wood and documented in the INERP by the District Forester.
- B) In coniferous stands, the trees must have a minimum total height of 18 feet. All dead branches must be pruned, and all live branches up to one-half the total height of the trees must be pruned. Pruning to a maximum height of 17 feet is required where the trees are 34 feet tall or taller. Not more than 100 final coniferous crop trees per acre, well distributed throughout the stand, will be considered in determining the cost-share payment.
- C) In deciduous stands, pruning to a total height of 17 feet is required where trees are 34 feet tall or taller. Pruned trees will be subject to a maximum height as determined by the District Forester. Pruning shall be done to a maximum height of 12 feet to effect a minimum pruning height of 6 feet. Not more than 100 well distributed desirable crop trees per acre shall be selected and fine hardwood (white and red oak, black walnut, etc.) species will be given prime consideration. In order to reduce the risk of decay, pruning no limbs over 3 inches in diameter.
- D) All pruning must be as close to the stem as possible without disturbing the branch bark ridge and branch collar.
- E) Corrective pruning to influence tree form may be required in the INERP, but such pruning is not eligible for cost-sharing.
- F) Grass and Forb Establishment
- The purpose of this practice is to establish grassland habitats.
- 1) Seed sources Use the following guidelines to assure adaptation to local conditions:
- a) District Managers will make final approval of seed sources based upon a species' ability and/or seed source to be moved north or south.

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Warm season grasses and forbs:

- Preferred - within the boundary of Illinois, and from local sources.
- Acceptable - the area from which seed was collected shall be within:
- A) 50 miles west of the Illinois border, and 50 miles north of the Wisconsin-Illinois border, and 50 miles east of the Indiana-Illinois border.

B) North of the Ohio River.

- C) When seed availability is limited due to unforeseen circumstances, the Department's Natural Areas Project Manager may approve exceptions to the above seed source limitations.

2) Warm Season Grasses

Planting rates shall not exceed recommended rates using the following guidelines:

- Maximum - 10 lbs. (pure live seed) per acre
- Minimum - 6 lbs. (pure live seed) per acre

3) Warm Season Grasses and Forbs

A) Planting rates:

- Maximum - 6 lbs. (pure live seed) per acre
- Minimum - 4 lbs. (pure live seed) per acre

B) Forbs

Maximum - 3 lbs. (clean seed) per acre

Minimum - 1 lb. (clean seed) per acre

4) Cool Season Grasses

Planting rates shall not exceed recommended rates using the guidelines and specifications for cool season grasses in the Natural Resources Conservation Service's Illinois Technical Guide 12-645-1, dated June 1992 (no later editions or amendments are included).

5) Savannah reconstruction/restoration

Warm season grass and forb rates will not exceed those established above. Trees, existing or new, shall not exceed 50% canopy coverage at maturity.

6) Prairie/savannah enhancement

This practice can be used to establish buffer zones or increase the number of forb or grass plants in a new or established prairie or savannah. Plants to be used can be plugs or bare-root seedlings.

Maximum number of plants - 5,000 per acre

Minimum number of plants - 1,000 per acre

g) Habitat Modification for Threatened and Endangered Species

The purpose of this practice is to protect, restore and maintain unique or rare habitats such as wetlands, herbaceous, etc., and to provide for the protection of threatened and endangered species.

- 1) The INERP must specify the area to be protected and the required action to protect the site from non-natural impacts that might disrupt the habitat and dislodge threatened and endangered

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- species.
- 2) Cost share shall not be authorized for any action that is determined to be harmful to the threatened and endangered species and its habitat.
- h) Outdoor Recreation Enhancement
- The purpose of this practice is to establish and enhance recreational opportunities.
- 1) Trail development: The INRMP must specify the location, length, and width of the trail or trails. Trail width shall not exceed 4 feet. Cost-share rate shall be per foot of trail constructed.
- 2) Vistas: The INRMP must specify the location of scenic overlooks or vistas and the area of treatment. Cost-share rate will be on a per acre basis.
- 3) Cost-share is not authorized for the following:
- A) road construction or maintenance;
 - B) gates, bridges, signs;
 - C) surfacing material;
 - D) outbuildings;
 - E) commercial campgrounds;
 - F) commercial recreation development, including picnic areas;
 - G) practice that would directly or indirectly result in adverse effects on a cultural resource; or
 - H) boundary fences.
- i) Prescribed burning
- i) Use this practice to help establish, restore, modify, or maintain habitats.
 - ii) Repeat burns up to 6 times in a 10 year period following the date the practice was first implemented. INRMP's prescribed burn policy must be followed as well as local rules and regulations.
- 3) Reducing Wildlife Damage
- The following practices to allow establishment of vegetation in situations where a wildlife population threatens adequate establishment or maintenance of vegetation. Wildlife damage control is necessary at times to protect the investment in tree planting, direct seeding, or natural regeneration.
- 1) Practice is limited to situations where the need for damage control is demonstrated by a District Private Lands Biologist and consultation with a District Private Lands Biologist and documentation in the INRMP is required.
- 2) Protective devices must be removed from the site at the end of their usable life or when the threat of damage has passed. The following practices may be utilized:
- A) Tree shelters. The recommendation in the INRMP as approved by INDR shall be as follows:
 - i) Up to 50 tree shelters shall be evenly distributed throughout each acre.
 - ii) Shelters shall be maintained as installed for the life of the shelters. Shelters may be moved to other

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- seedlings only if the original trees have died.
- iii) Durable rot resistant stakes must be used.
- iv) Nylon mesh caps or other approved barriers may be needed to prevent death of birds.
- v) Protection from deer, 4 foot shelters must be installed.
- B) Electric Fencing. Use as a temporary measure primarily for reducing damage by deer.
- i) Visible Grazing System (VGS) type fence wire, stainless steel enclosed in plastic is the preferred type. Other wire may be used, but must be marked with white or other bright color at minimum intervals of 25 feet.
 - ii) For maximum benefit the fence must be charged throughout the year so as to affect deer behavior.
 - iii) The service life of the fence shall be determined in the INRMP or by separate written prescription.
- C) Repellents. Use these materials to protect forestation or natural regeneration.
- i) Either scent or taste repellents may be used; the label shall prescribe specific types, products must be followed.
 - ii) Label and instructions on approved products must be in a timely manner, per the label.
- iii) The primary treatment shall be done by treatment of the central leader of the seedling.
- iv) This practice may be repeated up to 3 times in a 10 year period following the date the practice was implemented.
- D) Bud or Growing Point Protectors. Such devices as mesh netting, tubes, or bud caps may be used to protect seedling plants. Installation of such devices shall be according to the manufacturers recommendations and the written prescription in the INRMP.
- k) Stream/Streambank Improvement and Protection
- Vegetation shall be added in this practice to stabilize banks of streams against scour erosion. The purpose is to reduce sediment loads and to improve water quality for the benefit of aquatic flora and fauna and attendant recreational uses.
- 1) Consideration will be given to practices which reduce excessive bank erosion, minimize sheet erosion on adjacent lands, enhance near-stream conditions (e.g., shading), control head-cutting in waterways and provide in-stream habitat (e.g., boulders, bank cover, etc.).
 - 2) Vegetation stabilization techniques will be emphasized and work confined to the bank area. Stabilization techniques include reshaping, stabilization of the toe with rock or woody material, temporary stabilization with mulch and grass, and permanent

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revegetation with trees or shrubs. Stabilization with cuttings or posts of trees and shrubs which root rapidly in wet conditions is included.

- 3) A buffer/filter strip, herbaceous or woody vegetation must be established along with the bank being treated. Minimum width for cost-share is 2 rods.
- 4) Channel straightening, realignment, widening or deepening is not allowed.
- 5) Measures for streambank and shore protection must be installed according to the TNMP.
- 6) Designs for streambanks shall be according to the following principles:
 - A) Streambank protection must be started at a stable point and must end at a stable point of the stream.
 - B) The toe of the bank must be protected well below the anticipated lowest depth of scour.
- 7) This practice contains elements for restoring and enhancing in-stream habitat and streambank protection. Various methods can be employed to improve food supply, shelter, spawning areas, water quality, or other elements of fish habitat.
 - A) Tree or brush revetments - used to stabilize banks while providing (dead) woody material in stream channels for fish shelter.
 - B) Bank cover devices (LUNKERS and log covers) - used to stabilize banks while providing overhead cover for shelter, feeding and spawning by various fish species.
 - C) Artificial riffles - used for grade control and to provide coarse, well aerated substrate for fish spawning, feeding and invertebrate production.
 - D) Current deflectors - made of rock and/or logs and used to protect banks and induce pool formation and meandering, particularly in previously straightened segments of channel.
 - E) Livestock Watering Device - These devices can be cost-shared where streams/rivers and forest stands have been protected from livestock access. The maximum number of devices to be cost-shared will be 2 per property - one per landowner's stream.
 - F) Miscellaneous habitat devices - half-log devices, cabled rockwalls, boulders, macrophyte plantings or any other method specifically intended to increase instream habitat diversity for use by aquatic life. Design and placement of stream habitat improvements should follow the methods of Newbury and Gaboury (1993) (no later editions or amendments included), Stream Analysis and Fish Habitat - A Field Manual, Newbury Hydraulics Ltd., British Columbia, Canada.
- 8) In addition, cost-sharing is not authorized for the following:
 - A) purchase of fish;
 - B) purchase of fish food;

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- C) pond installation; or
- D) enhancement of commercial aquaculture operations.

1) Wildlife Habitats
Use any of the preceding practices plus the following to establish, protect, or improve habitats:

- 1) Travel corridors (fencerows) - Use these to connect habitat types and corridors. Minimum width shall be 1 rod. Planted woody species will be at least 2 rods wide.
- 2) Nest boxes - Use only when natural cavities and nesting sites are inadequate to meet species needs. Maximum number of nest boxes per acre - 5.
- 3) Snag creation - Use to create habitat niches for specific species. Deaden a minimum of 4 trees per acre and a maximum of 12. If logging is anticipated within 10 years, delay this activity.

m) Wildlife Watering Facility

- 1) Construct, improve, or modify watering places.
- 2) Use this practice only when wildlife species are limited by availability of standing water, and not available within the species home range. Incorporate multiple species use in design.
- 3) Utilize least expensive means to accomplish the objective.
- 4) Utilize 3 foot maximum depth standard in design and construction.
- 5) Limit this facility to one per 160 acres (regardless of ownership). Additional guidelines and specifications are to be referenced in the Natural Resource Conservation Service's Illinois Sec. IV-IL Tech Guide, IL-648-1, June 1992 (no later editions or amendments are included).

n) Wildlife Wetland Habitat

- 1) Use any of the preceding or following to establish, protect or improve shallow water wetland habitats for wildlife:
 - A) small low level berms;
 - B) drainage tile excavation;
 - C) water control (tubes/grates) structures;
 - D) minor excavation (heavy equipment/blasting);
 - E) planting ditches;
 - F) planting native species;
 - G) site preparation for natural and/or artificial regeneration;
 - H) establishment of grasses; and
 - I) control of undesirable vegetation (willows).
- 2) Design and work must comply with the standards and specifications in the Natural Resource Conservation Service Illinois Sec. IV-IL Tech Guide IL-644-1, June 1992 (no later editions or amendments are included).

o) Water and Erosion Control Structures

- 1) Water and sediment control basin - a short earth embankment generally constructed across the slope of minor watercourse to collect and store water or sediment. This practice component is

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utilized where level terraces are not practical, usually because of topography. The design of the basin shall be in accordance with the specifications delineated in the Natural Resource Conservation Service Technical Guide, Sec. IV, II-638 (no later editions or amendments are included).

- 2) Terrace - a level short earth embankment constructed across the slope of minor (not to exceed 100 feet in length) watercourses to temporarily collect water, allowing sediment to drop before the water is released via a reasonable length of time. Terraces are usually used in a series for maximum efficiency in trapping sediment and allowing water velocity to decrease. The design of terraces shall be in accordance with the specifications delineated in the Natural Resource Conservation Service Technical Guide, Sec. IV, II-600 (no later editions or amendments are included).

- 3) Grassed waterway - gently sloping areas vegetated with herbaceous plants used to convey runoff without causing erosion. The areas may also serve as inlets and outlets for terraces or water sediment control structures. The design of grassed waterways shall be in accordance with the specifications delineated in the Natural Resource Conservation Service Technical Guide, Sec. IV, II-412 (no later editions or amendments are included).

- p) Ponds for the Enhancement of Fish and Wildlife Habitat - Ponds-earthen embankments constructed to permanently collect water for the enhancement of fish and wildlife habitats. The capacity of the basin shall be large enough to control the runoff expected for a 10 year 24 hour frequency precipitation event, and the pond shall be without overtopping. Upon conclusion of these runoff events, the depth must meet the following minimums for 25% of the water area: Southern Illinois - 7 feet; Central Illinois - 8 feet; and Northern Illinois - 10 feet. Cost-share will not be provided if the water-surface area following a runoff event is not at least one acre or exceeds 5 acres in size.

- 1) Structures will be:
- located and constructed so no pollution will be allowed to enter the water area;
 - designed to prevent livestock access to the water area; and
 - constructed from soil erosion in the structure's watershed including the immediate shoreline.
- 2) Earth embankments must meet dam safety requirements as set out in 615 ILCS 5 and 62 ILCS 11. No Code 602. Natural wetlands cannot be converted to ponds. The Code 602. Natural wetlands shall be in accordance with the specifications delineated in the Natural Resource Conservation Service Technical Guide, Sec. IV, II-378 (1992) (no later editions or amendments are included), published by the United States Department of Agriculture, Natural Resources Conservation Service. Copies are available at the County and Area Natural Resources Conservation Offices and IDNR, Forest

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Resources Office.

- q) Community Tree Planting.

This practice shall be used to increase the planting of trees on public lands. This practice will not require the completion of an INRMP as detailed in Section 1522-50, Integrated Natural Resource Management Plans. Maps or a list specifying planting locations, species and schedule of care and maintenance activities will be required.

- 1) Trees must be planted on land owned or controlled by a unit of local government.
- 2) Establishment of nurseries is prohibited.
- 3) Trees must be a minimum of 1 1/2 inches in caliper for a single stem or a minimum of 1 inch per stem for multiple stem trees (ANSI Z60.1-1986 American Standard for Nursery Stock).
- 4) Species and planting location (right tree in right location) must be approved by the IDNR District Forester.
- 5) Maps or lists specifying exact planting sites by street address or location within a park boundary must be provided (map sheets must be 8 1/2 x 11 inches and reproducible in black and white).
- 6) The unit of local government must provide annual care and maintenance for 2 additional years after the year of planting.
- 7) The unit of local government must provide written certification (annually) verifying care and maintenance. Section 1522.40(p)(6) states that during this period (see Section 1522.40(p)(6)) trees must be replaced if they die.
- 8) Unit of local government cost-share portion shall be in the form of additional trees setting above standards.
- 9) Planting must be done by a qualified small business, not employees of any unit of local government or volunteers.
- 10) All purchased planting stock, planting services and supplies must be contracted or purchased from firms that qualify as small businesses.

- r) Purchase of Plant Materials from Private Nurseries
- 1) Landowners may purchase plant materials from approved private nurseries. Reimbursement will be at the eligible cost-share rate not to exceed the established maximum per acre cost.
 - 2) The private nurseries interested in providing plant materials under this program shall provide the following information to the Department of Natural Resources to participate in the program no later than June 30 prior to the next spring planting season.
 - A) Indicate that they will agree to participate in the program.
 - B) List the seed sources that will be used for this program.
 - C) Seed sources must be acceptable to the Department (see Sections 1522.40(d)(1) and (f)(1)).
 - D) Verify the size and root length of the plants.
 - E) Establish and provide a price list for the plant materials.
 - F) Guarantee that the shipping of seedlings to the landowner

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can be completed by:

- Southern Illinois - March 31
- Central Illinois - April 15
- Northern Illinois - May 1

s) Purchase of Easements

Cost-share may be used to acquire perpetual easements for conservation purposes if:

- 1) the easement is held by a governmental body or legally constituted for-profit organization;
- 2) the easement is for 30 years or is perpetual;
- 3) the easement conveys all development rights associated with the property;
- 4) the cost of the easement is established by appraisal and shall be no greater than the fair-market value of the easement; and
- 5) the easement contains a chain of reversion with the State of Illinois as the final reversion.

Section 1522.50 Integrated Natural Resources Management Plans

a) In addition to plans prepared by IDNR District Managers, a landowner or his/her representative may develop a management plan and submit it to their local IDNR District Manager for approval. Plans will include the appropriate items listed below. Plans and amendments must be submitted to the District Manager and the property landowner. (See Exhibit A for certification of plans.)

- 1) Legal Description of Land to be Managed
- This description must include quarter section, section, township, range, county, and (if used by County Assessor's Office) property index or parcel number.
- 2) Map of the Area
- This must be a minimum scale of 8 inches to the mile and be reproducible as black and white copies.
- 3) Description of Area to be Managed, (Resource Inventory)

A description is required of existing conditions. This description should include (where appropriate) information on stand or field conditions, soils, species composition (plants and/or animals), cover types, water resources, etc.

- 4) Description of Surrounding Lands
- This description should include zoning, and management of the surrounding lands must be considered when developing an INSWP. Therefore, a description of the lands adjacent to parcels proposed for management is required in order to assess the landscape context in which the lands proposed for management occur. Identification of the watershed in which the property lies and the general characteristics of that watershed should be included.

5) Landowner Goals and Management Objectives

This section of the plan shall include information on the

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landowner's short and long term objectives. This information should address (as appropriate) protection and restoration of natural resources (soil, water, plant/animal communities), recreational goals and economic goals.

- 6) Management Practice Schedule
- This section of the plan will address recommendations necessary to achieve the landowner's management objectives. As appropriate, this section of the plan will provide water resources, plant communities and/or animal communities.

- 7) Management Practices Implementation
- This section of the plan will provide information on agency contacts (State, county and federal); sources of funding, equipment and plant materials; information on tax abatement opportunities; and detailed instructions for completing practices, including information on areas where practices are to be applied, costs, and timetable for completion. Information will also be included to inform the landowner on how to deal with known environmental, insect and/or disease problems.

- 8) Implementation Record
- This portion of the plan will provide the landowner a section to record information on practices completed. This would include costs, property location and area affected.

- b) To be eligible for participation in the Illinois Department of Natural Resources Cost-Share Program, INRMPs must meet the requirements of the Illinois Forestry Development Act found in 17 Illinois Administrative Code 1537. INRMPs must include those appropriate items listed in that Administrative Rule. Plans prepared in consultation with other natural resource agencies (Soil and Water Conservation Districts, Natural Resource Conservation Service, Resource Conservation and Development Districts) which provide the above information may, for the purposes of this Part, be considered INRMPs upon approval by the District Forester.

Section 1522.60 Review of Completed Practices

Upon completion of the practices, the landowner will submit to the Regional Coordinator receipts for all work performed, and, where appropriate, copies of checks showing payments to a contractor. The appropriate IDNR District Managers will complete their inspection and sign off on the practices within 30 days after receiving all necessary material from the landowner. Within 45 days after receipt of the landowner's material the Regional Watershed Administrator will have an invoice voucher prepared and submitted for payment.

Section 1522.70 Appeal

- a) Any landowner whose plan or practice is not approved by the District

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Manager may appeal to the Regional Review Committee pursuant to 17 Ill. Adm. Code 2530. The Regional Review Committee is composed of the Regional Administrators of the Divisions of Forest Resources, Wildlife Resources, Natural Heritage and Fisheries, and the Ecosystem Project's Coordinators.

- b) The appeal must be made within 30 days from the date the plan or practice was disapproved by writing to the address listed in Section 1522.80.
- c) The Regional Review Committee will conduct a meeting to receive written and oral arguments of the applicant, and to reconsider the plan or cost-share practice.
- d) The Regional Review Committee will notify the applicant in writing within 30 days following the meeting date stating the reasons for which the original decision is upheld or reversed.

Section 1522.80 Information

Anyone wishing additional information concerning this Part may contact the IDNR Ecosystem Projects Coordinator.

Department of Natural Resources
Office of Realty and Environmental Planning
524 South Second Street
Lincoln Tower Plaza
Springfield, Illinois 62701-1787

Section 1522.90 Penalty

Each participant in the Conservation 2000 Natural Resources Cost-Share Program is responsible for complying with the terms and conditions stated in the INRMP and shall follow the provisions detailed in the plan. Refund of all cost-share payments made will be required if the INRMP is not followed and/or the practice is not maintained for its minimum lifespan (see Section 1522.20(b)(4)). Refund checks should be made payable to the Illinois Department of Natural Resources. Participants who refuse voluntary repayment will be subject to liens filed against their property or withholding of State payments by the Comptroller of Illinois.

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Section 1522-EXHIBIT A Integrated Natural Resources Management Plan
Certification

LANDOWNER: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

COUNTY: _____

ACRES UNDER MANAGEMENT: _____

LEGAL DESCRIPTION: _____
(FRACTIONAL QUARTER, QUARTER, SECTION, TOWNSHIP, RANGE,
PRINCIPAL MERIDIAN)

I am the owner of the property for which this plan has been prepared. The plan meets my requirements. I will follow the recommendations to the best of my ability. If any changes in ownership or conditions of the managed area occur, I will notify the IDNR District Manager in writing within 30 days.

Note: Approval of this plan does not guarantee that all projected cultural practices will be approved for cost-share payments. Cost-sharing is provided as funds are available and priority for funding may be given based upon the type and duration of the practice. Applications for cost-share assistance must be approved by appropriate District Manager before practices are begun.

The landowner in the Conservation 2000 Natural Resources Cost-Share Program is responsible for complying with the terms and conditions stated in the Integrated Natural Resources Management Plan and the standards for the cost-share practices. Refund of all cost-share payments made will be required if practices are terminated prior to the lifespan of the practice.

Plan developed by: _____ Date: _____

Landowner acceptance: _____ Date: _____

IDNR District Manager approved: _____ Date: _____

IDNR District Manager approved: _____ Date: _____

IDNR District Manager approved: _____ Date: _____

IDNR District Manager approved: _____ Date: _____

< choose one or more >

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NEW PLAN _____ AMENDED PLAN _____ CANCEL PLAN _____
ADDRESS CHANGE _____ OTHER _____ (explain)

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Section 1522. EXHIBIT B Cost-Share Practices: Percent and Maximum Payments

1. The following practices are cost-shared at 75% of the actual cost not to exceed the maximum program payment:

PRACTICE MAXIMUM PROGRAM PAYMENT

EXOTIC VEGETATION CONTROL.....	\$60/A
FENCING.....	
WOVEN WIRE.....	\$12/ROD
BARBED WIRE (OR WOODEN SUBSTITUTE).....	\$1/ROD
SUSPENSION.....	\$6/ROD
HIGH TENSILE.....	\$9/ROD
FIELD WINDBREAKS ESTABLISHMENT	
TREE PLANTING.....	\$0.06/LIN.FT./ROW
FOREST & SHRUB ESTABLISHMENT	
SITE ESTABLISHMENT FOR PLANTING	
SEEDLINGS - DIRECT SEEDING.....	LEVEL 1 - \$30/A.
	LEVEL 2 - \$60/A.
	LEVEL 3 - \$90/A.
	LEVEL 4 - \$180/A.
	LEVEL 5 - \$360/A.
	LEVEL 6 - \$720/A. (PLANTING COST ONLY)
TREE AND SHRUB PLANTING.....	
DIRECT SEEDING.....	\$95/A.
SITE PREPARATION FOR NATURAL	
REGENERATION.....	\$50/A.
VEGETATION CONTROL.....	\$40/A. (HERBICIDES)
	\$60/A. (MULCH)
	\$40/A.
AGROFORESTRY.....	
FOREST STAND IMPROVEMENT	
THINNING.....	\$45/A.
PRUNING CROP TREES.....	\$75/A.
GRASS AND FORB ESTABLISHMENT	
WARM SEASON PLANTING.....	\$50/A.
WARM SEASON GRASSES/FORBS PLANTING.....	\$50/A.
COLD SEASON PLANTING.....	\$30/A.
SAVANNAH PLANTING.....	\$30/A.
PRAIRIE/SAVANNAH ENHANCEMENT	
HABITAT MODIFICATION FOR THREATENED	
AND ENDANGERED SPECIES.....	\$5/1000 SQ. FT.
OUTDOOR RECREATION ENHANCEMENT	
TRAIL DEVELOPMENT.....	\$0.20/LIN.FT.
ARTIFICIALS & VISTA PRUNING/THINNING.....	\$41/A.
FONDS FOR THE ENHANCEMENT OF FISH AND	
WILDLIFE HABITAT.....	\$500/SURFACE ACRE
PRESCRIBED BURNING.....	\$20/A.
REDUCING WILDLIFE DAMAGE	
TREE SHELTERS.....	\$150/A.

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REPELLENTS.....	
ELECTRIC FENCE.....	\$15/A.
BOD PROTECTORS.....	\$50/FT.
STREAM/STREAMBANK IMPROVEMENT & PROTECTION	
TREE/SHRUB REVENUE.....	\$25/LIN.FT.
BANK COVER DEVICES.....	\$25/LIN.FT.
ARTIFICIAL RIDGES.....	\$750/RIDGELINE
CURRENT DEFECTORS.....	\$1500/DRIVE
LIVESTOCK WATERING DEVICE.....	\$25/LIN.FT.
MISC. HABITAT DEVICES.....	
WILDLIFE HABITATS	
TRAVEL CORRIDORS.....	\$0.12/LIN.FT./ROW
NEST BOXES.....	\$5/UNIT
SNAG CREATION.....	\$10/A.
WILDLIFE WATERING FACILITY.....	\$1800/FACILITY
WILDLIFE WETLAND HABITAT.....	\$500/A.
WATER EROSION CONTROL STRUCTURES	
WATER AND SEDIMENT CONTROL BASIN.....	EARTHWORK OVER 3 FT. -
	\$1.15/CU.YD.
	UNDER 3 FT. - \$1.50/LIN.FT.
	SEEDING - \$150/A.
	MULCHING - \$150/A.
	EARTHWORK - \$1.15/LIN.FT.
	SEEDING - \$150/A.
	MULCHING - \$185/A.
	EARTHWORK, SEEDING
	& MULCHING - \$1125/A.
	\$225/TREE PLANTED
COMMUNITY TREE PLANTING.....	
2. The following practices are cost-shared at 100% of the actual cost based upon pre-established prices from IDNR approved private nurseries:	
TREE AND SHRUB PLANT MATERIAL PURCHASES	
WARM SEASON GRASS SEED PURCHASES	
COLD SEASON GRASS SEED PURCHASES	
WILDLIFE FOOD PURCHASES	
FORB/GRASS PLANT PURCHASES	

3. The following practices are cost-shared at 100% of the actual cost based upon the appraised fair-market value of the easement:

PURCHASE OF EASEMENTS

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Section 1522, EXHIBIT C Application

CONSERVATION 2000
NATURAL RESOURCES COST-SHARE APPLICATION

NAME/FIRM _____ PHONE # _____ / _____ - _____
 STREET _____ CITY _____ STATE _____ ZIP _____

COST-SHARE AUTHORITY:

PLAN DATE ____ / ____ / ____ COUNTY _____ EXPIRES ____ / ____ / ____

A. ACRES; B. MAX. COST SHARE PER ACRE (in \$); C. PRACTICE TOTAL COST-SHARE (in \$(AxB)); D. DNR APPROVAL TO COMMENCE (INITIALS & DATE); E. OWNER'S COST (in \$); F. FEDERAL PROGRAM PAYMENT* (Program Name) _____ (% of the Program Payment); G. COST-SHARE EARNED**; H. DNR FIELD INSPECTOR/APPROVAL (INITIALS & DATE)

PRACTICE DESCRIPTION - A, B, C, D, E, F, G, H

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

TOTAL

*List the concurrent program, ** earned amount not to exceed E.; to compute the Earned Cost-Share following determination of the federal payment (F.), the balance of the unpaid basis shall be multiplied by the cost-share rate for the practice.

APPLICANT'S CERTIFICATION:

I request cost-sharing to perform the practices shown, above. I agree to perform practice under the Administrative Rules of this program (17 Ill. Code 1522) and according to the natural resource management plan, unless prevented from doing so by any control. Upon satisfactory completion of the practice(s) the payment will be made. I agree that I will not to exceed the established cost-share limits published by the Department. I will provide the necessary receipts and documents as required to show my expenses. I have read and agree to the legal requirements listed on this form. I agree that the practices cost shared under this agreement shall be in effect for a minimum of _____ years except as allowed under the Administration Rules. I understand, should I fail to maintain the above

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practices or elect to discontinue participation, I will refund all cost-share payment made to me for the practices affected.

Under penalties of perjury, I certify that the number below is my correct Federal Taxpayer Identification Number. My business status is:

- ____ Individual
 ____ Corporation
 ____ Sole Proprietorship
 ____ Foreign Corporation, Partnerships
 ____ Foreign Corporation, Not-for-Profit Corporation
 ____ Tax Exempt Organization
 ____ Estate, Trust
 ____ Partnership
 ____ Medical & Health Care
 ____ (ICR 501(a) only)
 ____ Other
 ____ Estate of Legal Trust
 ____ Services Provider Corporation
 ____ Non-resident Alien Individual

TAX ID NUMBER: SOC. SEC. # ____ / ____ / ____ OR FEIN # ____ / ____ / ____

The Applicant certifies that it is not barred from being awarded a contract or subcontract under Section 10-1 or 10-3 of the Illinois Purchasing Act [30 ILCS 505/10.1 and 10.3]

The Applicant certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Section 338-3 or 338-4 of the Criminal Code of 1961 [720 ILCS 5/338-3 and 338-4].

The Applicant certifies that it is not in default on an educational loan as provided in Public Act 85-977 [5 ILCS 385] (a partnership shall be considered barred if any partner is in default on an educational loan).

The Applicant is not prohibited from selling goods or services to the State of Illinois because it pays dues or fees on behalf of its employees or agents or subsidies or otherwise reimburses them for payment of their dues or fees to

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For contracts exceeding \$10,000 the applicant certifies that neither it nor any substantially-owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Action of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act. Applicant, its employees and subcontractors, agree not to commit unlawful discrimination and agree to comply with the applicable provisions of the Illinois Human Rights Act, the Public Works Employment Discrimination Act, the U.S. Civil Rights Act and Section 504 of the Federal Rehabilitation Act, and rules applicable to each. The equal employment opportunity clause of the Department of Human Rights' rules is specifically incorporated herein.

The Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and the regulations thereunder (28 CFR 35.130)(ADA) prohibit discrimination against persons with disabilities by the State whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving this contract, the undersigned vendor certifies that services, programs and activities provided under this contract are and will continue to be in compliance with the ADA.

For the purpose of this certification, "grantee" or "contractor" means a corporation, partnership or other entity with 25 or more employees at the time of awarding the grant, or a department, division, or other unit thereof, directly responsible for the specific performance under a contract or grant of \$5,000 or more from the State.

Pursuant to 775 ILCS 5/2-105(A)(4), applicant shall have written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State Law; (iii) a description of sexual harassment, utilizing examples; (iv) the applicant internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the Department and Commission; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Department upon request.

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THE UNDERSIGNED, UNDER PENALTIES OF PERJURY, IS AUTHORIZED TO EXECUTE THIS CERTIFICATION ON BEHALF OF THE DESIGNATED ORGANIZATION/PERSON.

Printed Name of Organization/Person

Signature of Authorized Representative

Printed Name and Title

Date

Approval for Payment:

Partnership Coordinator

Date

This State is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined under 720 ILCS 5/33B-12. Disclosure of this information is REQUIRED. Failure to provide any information will result in this form not being processed. This form has been approved by the Forms Management Center.

PROPERTY TAX APPEAL BOARD

NOTICE OF PROPOSED AMENDMENT

1) Heading of the Part: Practice and Procedure for Hearings Before the Property Tax Appeal Board

2) Code Citation: 86 Ill. Adm. Code 1910

3) Section Numbers:
1910.69 Amended
1910.71 New Section

4) Statutory Authority: 35 ILCS 200/Art. 7 and 16-180 through 16-195

5) A Complete Description of the Subjects and Issues Involved: Section 1910.69 is being amended to add a provision giving the Board the authority to dismiss appeals in cases where the contesting party has not pursued disposition of an appeal in a reasonable time period. The new language states the Board will consider factors including, but not limited to, the history of the appeal, the length of time that has elapsed since the last action taken in the appeal, past attempts to schedule the appeal for hearing, and the contesting party's compliance with any Board or hearing officer requests or orders.

Section 1910.71 is being added to clarify ex parte communications.

6) Will this rulemaking replace any emergency rulemaking currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? Yes

Section Numbers	Proposed Action	Illinois Register Citation
1910.30	Amended	August 1, 1997 (21 Ill. Reg. 10004)
1910.66	Amended	August 1, 1997 (21 Ill. Reg. 10004)
1910.67	Amended	August 1, 1997 (21 Ill. Reg. 10004)
1910.68	Amended	August 1, 1997 (21 Ill. Reg. 10004)
1910.72	New Section	August 1, 1997 (21 Ill. Reg. 10004)
1910.80	Amended	August 1, 1997 (21 Ill. Reg. 10004)

10) Statement of Statewide Policy Objectives: This rulemaking will not modify or expand a Statewide Policy.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may comment on this proposed rulemaking by filing such comments in writing during the first notice period with the Property Tax Appeal Board at its offices in Springfield.

PROPERTY TAX APPEAL BOARD

NOTICE OF PROPOSED AMENDMENT

Comments should be mailed to:

James W. Chipman - Executive Director
Property Tax Appeal Board
Rm. 402, Stratton Office Building
401 S. Spring St.
Springfield, IL 62706
217/782-6076

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: All small businesses owning taxable real property in Illinois.

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: The Property Tax Appeal Board did not anticipate this rulemaking at the time the most recent agenda was published.

The full text of the proposed amendment begins on the next page:

PROPERTY TAX APPEAL BOARD

NOTICE OF PROPOSED AMENDMENT

TITLE 86: REVENUE

CHAPTER II: PROPERTY TAX APPEAL BOARD

PART 1910

PRACTICE AND PROCEDURE FOR HEARINGS
BEFORE THE PROPERTY TAX APPEAL BOARD

Section

1910.00 Construction and Definitions

1910.10 Statement of Policy

1910.20 Correspondence

1910.25 Computing Time Limits

1910.30 Petitions - Application

1910.40 Board of Review Response to Petition Application

1910.50 Determination of Appealed Assessment

1910.60 Interested Parties - Intervention

1910.63 Burdens of Proof

1910.65 Documentary Evidence

1910.66 Rebuttal Evidence

1910.67 Hearings

1910.67 Subpoenas

1910.68 Sanctions

1910.69 Representation at Hearings

1910.70 Exemption of Confidential Information

1910.71 Access to Board Records

1910.75 Forms

1910.80 Practice Rules

1910.90 Separability

1910.95

AUTHORITY: Implementing and authorized by the Property Tax Code (35 ILCS 200/Art. 7 and 16-180 through 16-195).

SOURCE: Adopted at 4 Ill. Reg. 23, P. 106, effective May 27, 1980; codified at 8 Ill. Reg. 19475; amended at 13 Ill. Reg. 16454, effective January 1, 1990; amended at 21 Ill. Reg. 3706, effective March 6, 1997; amended at 21 Ill. Reg. 11949, effective August 13, 1997; amended at 21 Ill. Reg. _____, effective _____.

Section 1910.69 Sanctions

- a) Failure of any party to comply fully with all rules and/or specific requests of the Property Tax Appeal Board as provided in Sections 1910.30, 1910.40, 1910.60, 1910.65 and 1910.67 of this Part shall result in the default of that party.
- b) When a hearing is ordered by the Property Tax Appeal Board, all parties shall appear for the hearing on the appeal on the date and at the hour set by the Property Tax Appeal Board. Failure to appear on the date and at the hour set by the Property Tax Appeal Board shall be

PROPERTY TAX APPEAL BOARD

NOTICE OF PROPOSED AMENDMENT

sufficient cause to default that party.

- c) When a party, his attorney, or his witness engages in threatening, disruptive, vulgar, abusive or obscene conduct or language which delays or obstructs a proceeding, the Board, by any Member, or Hearing Officer, shall exclude the offending person from the proceeding. Any party engaging in such conduct or language shall be defaulted.

- d) Failure of the contesting party to furnish a court reporter as required in Section 1910.75 of this Part shall be sufficient cause to dismiss the appeal. Failure to do so within 60 days after the date of the court reporter's transcript within 60 days after the date of the hearing shall result in the dismissal of the appeal. e) A party, his representative, or his witness shall not communicate directly or indirectly with the Board, any Member, or employee in connection with any issue in a pending appeal except upon notice and opportunity for all parties to participate.

- e) Failure of the contesting party to pursue disposition of an appeal in a reasonable time will render the appeal subject to dismissal. In making this determination, the Board shall consider factors including, but not limited to, the history of the appeal, the length of time that has elapsed since the last action taken in the appeal, past attempts to schedule the appeal for hearing, and the contesting party's compliance with any Board or Hearing Officer requests or orders. e) Contention by the contesting party to furnish a court reporter as required in Section 1910.75 of this Part shall be sufficient cause to dismiss the appeal. Failure of the contesting party to furnish a court reporter's transcript within 60 days after the date of the hearing shall result in the dismissal of the appeal.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 1910.71 Ex Parte Communications

- a) Except in the disposition of matters that agencies are authorized by law to enter into or dispose of on an ex parte basis, the Board Members and Board employees shall not, with respect to any contested appeal, communicate directly or indirectly, in connection with and without notice, with any Board member or employee, or ex parte upon notice, and an opportunity for all parties to participate.
- b) Communications regarding matters of practice and procedure, such as the status of appeals, filing requirements, form letters, scheduling of hearings, administrative review, and the like are not considered ex parte communications under this Section.

(Source: Added at 21 Ill. Reg. _____, effective _____)

DEPARTMENT OF PUBLIC AID

NOTICE OF PROPOSED AMENDMENTS

1) **Heading of the Part:** Hospital Services

2) **Code Citation:** 89 Ill. Adm. Code 148

3) **Section Numbers:** Proposed Action:
148.140 Amendment

4) **Statutory Authority:** Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]

5) **Complete Description of the Subjects and Issues Involved:** These proposed amendments create a new category of hospital based clinic providers, Critical Clinic Providers, for county owned facilities. In doing so, the Department will be, in part, reforming outpatient reimbursement to cover the escalating costs incurred as care is increasingly provided in outpatient settings. These changes are expected to increase spending by about \$21 million. Qualifying clinics under these proposed amendments will receive reimbursement through the County Provider Trust Fund.

6) **Will these proposed amendments replace emergency amendments currently in effect?** No

7) **Does this rulemaking contain an automatic renewal date?** No

8) **Do these proposed amendments contain incorporations by reference?** No

9) **Are there any other proposed amendments pending on this Part?** Yes

Sections	Proposed Action	Illinois Register Citation
148.25	Amendment	August 29, 1997 (21 Ill. Reg. 11081)
148.295	Amendment	July 18, 1997 (21 Ill. Reg. 9401)
148.296	New Section	July 18, 1997 (21 Ill. Reg. 9401)
148.300	New Section	July 25, 1997 (21 Ill. Reg. 9710)
148.310	Amendment	August 1, 1997 (21 Ill. Reg. 10016)

10) **Statement of Statewide Policy Objectives:** These proposed amendments do not affect units of local government.

11) **Time, Place, and Manner in which Interested Persons may comment on this proposed rulemaking:** Any interested parties may submit comments, data, views, or arguments concerning this proposed rulemaking. All comments must be in writing and should be addressed to:

Joanne Jones
Bureau of Rules and Regulations
Illinois Department of Public Aid
201 South Grand Ave. E., 3rd Floor

DEPARTMENT OF PUBLIC AID

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Springfield, Illinois 62763

217/524-0081

The Department requests the submission of written comments within 30 days after the publication of this notice. The Department will consider all comments received during the first notice period as required by Section 5-40 of the Illinois Administrative Procedure Act [5 ILCS 100/5-40].

Any interested persons may review these amendments at the Department of Public Aid's local offices located in each county (except Cook County). In Cook County, the amendments may be reviewed at the Office of the Director, Illinois Department of Public Aid, 310 South Michigan Avenue, Suite 1700, Chicago, Illinois. The amendments may be reviewed at all offices Monday through Friday from 8:30 A.M. until 5:00 P.M. These copies of the amendments are being made available for review in accordance with the federal requirements at 42 CFR 447.205.

These proposed amendments may have an impact on small businesses, small municipalities, and not-for-profit corporations as defined in Sections 100/1-2 and 100/1-3 of the Illinois Administrative Procedure Act [5 ILCS 100/1-2, 100/1-3, 100/1-40, 100/1-45]. The amendments are being submitted to the Department at the above address in accordance with the regulatory flexibility provisions in Section 5-30 of the Illinois Administrative Procedure Act [5 ILCS 100/5-30]. These entities shall indicate their status as small businesses, small municipalities, or not-for-profit corporations as part of any written comments they submit to the Department.

12) **Initial Regulatory Flexibility Analysis:**

- A) **Types of small businesses, small municipalities, and not-for-profit corporations affected:** County owned and operated Critical Clinic providers
- B) **Reporting, bookkeeping or other procedures required for compliance:** None
- C) **Types of professional skills necessary for compliance:** None

13) **Regulatory Agenda on which this rulemaking was summarized:** This rulemaking was not included on either of the 2 most recent agenda because: This rulemaking was not anticipated by the Department when the two most recent regulatory agendas were published.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PUBLIC AID

NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES

CHAPTER I: DEPARTMENT OF PUBLIC AID

SUBCHAPTER d: MEDICAL PROGRAMS

PART 148

ITAL SERVICES

Section	
1448.00	Hospital Services
1448.10	Participation
1448.20	Participations
1448.25	Definitions and Applicability
1448.30	General Requirements
1448.35	Special Requirements
1448.40	Covered Hospital Services
1448.50	Services Not Covered as Hospital Services
1448.60	Limitation On Hospital Services
1448.70	Organ Transplants Services Covered Under Medicaid (Repealed)
1448.80	Heart Transplants (Repealed)
1448.90	Heart Transplants (Repealed)
1448.100	Liver Transplants (Repealed)
1448.110	Bone Marrow Transplants (Repealed)
1448.120	Disproportionate Share Hospital (DSH) Adjustments
1448.130	Outlier Adjustments for Exceptionally Costly Stays
1448.140	Hospital Outpatient and Clinic Services
1448.150	Public Law 103-66 Requirements
1448.160	Payment Methodology for County-Owned Hospitals in a County with a Population of Over Three Million
1448.170	Payment Methodology for Hospitals Organized Under the University of Illinois Hospital Act
1448.175	Supplemental Disproportionate Share Payment Methodology for Hospitals
1448.180	Payment for Pre-operative Days, Patient Specific Orders, and Services Which Can Be Performed in an Outpatient Setting
1448.190	Copayments
1448.200	Alternate Reimbursement Systems
1448.210	Filing Cost Reports
1448.220	Pre September 1, 1991 Admissions
1448.230	Admissions Occurring on or after September 1, 1991
1448.240	Utilization Review and Furnishing of Inpatient Hospital Services Directly or Under Arrangements
1448.250	Determination of Alternate Payment Rates to Certain Exempt Hospitals
1448.260	Calculation and Definitions of Inpatient Per Diem Rates
1448.270	Determination of Alternate Cost Per Diem Rates for All Hospitals; Payment Rates for Certain Exempt Hospital Units; and Payment Rates for Certain Exempt Hospital Units
1448.280	Reimbursement Methodologies for Children's Hospitals and Hospitals Reimbursed Under Special Arrangements
1448.285	Excellence in Academic Medicine Payments

DEPARTMENT OF PUBLIC AND SOCIAL ADMINISTRATION

NOTICE OF PROPOSED AMENDMENTS

148,290	Adjustments and Reductions to Total Payments
148,295	Critical Hospital Adjustment Payment (CHAP)
148,300	Payment
148,310	Review Procedure
148,320	Alternatives
148,330	Exemptions
148,340	Subacute Alcoholism and Substance Abuse Treatment Services
148,350	Definitions
148,360	Types of Subacute Alcoholism and Substance Abuse Treatment Services
148,368	Volume Adjustment (Repealed)
148,370	Payment for Subacute Alcoholism and Substance Abuse Treatment Services
148,380	Rate Appeals for Subacute Alcoholism and Substance Abuse Treatment Services
148,390	Hearings
148,400	Special Hospital Reporting Requirements

AUTHORITY: Implementing Article III of the Illinois Health Finance Reform Act (2010 ICS 2215/Art. III) and implementing and authorized by Articles III, IV, V, XVI, and Section 12-13 of the Illinois Public Aid Code (305 ICS 5/Arts. III, IV, V, VI and 12-13).

SOURCE: Sections 148.10 thru 148.390 recodified from §9 Ill. Adm. Code 140.100 thru 140.398 at 13 Ill. Reg. 9572; Section 148.120 recodified from 89 Ill. Adm. Code 140.190 at 13 Ill. Reg. 12118; amended at 14 Ill. Reg. 2553, effective September 9, 1990; emergency amendment at 14 Ill. Reg. 11392, effective July 1, 1991; emergency amendment at 14 Ill. Reg. 16198, effective October 4, 1990; amended at 14 Ill. Reg. 16998, effective October 4, 1990; amended at 14 Ill. Reg. 18293, effective October 30, 1990; amended at 14 Ill. Reg. 18499, effective November 8, 1990; emergency amendment at 13 Ill. Reg. 10502, effective January 1, 1991, for a maximum of 150 days; emergency expired December 29, 1991; emergency amendment at 15 Ill. Reg. 16206, effective August 29, 1991; emergency amendment at 15 Ill. Reg. 16166, effective November 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 16166, effective November 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 18684, effective December 23, 1991; emergency amendment at 16 Ill. Reg. 6255, effective March 27, 1992; emergency amendment at 16 Ill. Reg. 11335, effective June 30, 1992, for a maximum of 150 days; emergency expired November 27, 1992; emergency amendment at 16 Ill. Reg. 111394, effective July 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14778, effective October 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 14973, effective December 7, 1992; amended at 17 Ill. Reg. 131, effective December 21, 1992; amended at 17 Ill. Reg. 3296, effective March 1, 1993; amended at 17 Ill. Reg. 6449, effective April 21, 1993; amended at 17 Ill. Reg. 14643, effective August 30, 1993; emergency amendment at 17 Ill. Reg. 18739, effective February 28, 1994; emergency amendment at 18 Ill. Reg. 3450, effective February 29, 1994; emergency amendment at 18 Ill. Reg. 12853, effective August 2, 1994, for a maximum of 150 days; amended December 18, 1994; amended at 18 Ill. Reg. 14111, effective September 1, 1994; amended 18 Ill. Reg.

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17649, effective November 29, 1994; amended at 19 Ill. Reg. 1067, effective January 20, 1995; emergency amendment at 19 Ill. Reg. 3710, effective March 1, 1995; amended at 19 Ill. Reg. 6709, effective May 12, 1995; for a maximum of 150 days; amended at 19 Ill. Reg. 10060, effective June 29, 1995; emergency amendment at 19 Ill. Reg. 10752, effective July 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 13009, effective September 5, 1995; amended at 19 Ill. Reg. 16630, effective November 28, 1995; amended at 20 Ill. Reg. 872, effective December 29, 1995; amended at 20 Ill. Reg. 7912, effective May 31, 1996; emergency amendment at 20 Ill. Reg. 9281, effective July 1, 1996, for a maximum of 150 days; emergency amendment at 20 Ill. Reg. 12510, effective September 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 15722, effective November 27, 1996; amended at 20 Ill. Reg. 15722, effective November 27, 1996; amended at 21 Ill. Reg. 607, effective January 2, 1997; amended at 21 Ill. Reg. 8886, effective June 23, 1997; emergency amendment at 21 Ill. Reg. 9521, effective July 1, 1997, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 10147, effective August 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. _____, effective _____.

Section 148.140 Hospital Outpatient and Clinic Services

a) Fee-For-Service Reimbursement

1) Reimbursement for hospital outpatient and hospital-based clinic services shall be made on a fee for service basis, except for:

- A) Those services that meet the definition of the Hospital Ambulatory Care Program as described in subsection (b) of this Section, which shall be reimbursed in accordance with subsections (b)(4) and (b)(6) of this Section, and adjusted in accordance with subsection (b)(8) of this Section;
- B) Skilled nursing services, as described in subsection (c) of this Section, which shall be reimbursed in accordance with subsection (c) of this Section; and
- C) Those services provided by a Certified Pediatric Ambulatory Care Center (CPACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(D) and Section 148.25(b)(5)(D), which shall be reimbursed in accordance with 89 Ill. Adm. Code 140.464(b). Fee-for-service reimbursement levels shall be at the lower of the hospital's usual and customary charge to the public or the Department's statewide maximum reimbursement screens. Hospitals will be required to bill the Department utilizing specific service codes. However, all specific client coverage policies (relating to client eligibility and scope of services available to those clients) which pertain to the service billed are applicable to hospitals in the same manner as to non-hospital clients who will file for reimbursement.
- 3) With respect to those hospitals described in Section

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148.25(b)(2)(A), the reimbursement rate described in subsection (A)(2) of this Section shall be adjusted on a retrospective basis. The retrospective adjustment shall be calculated as follows:

A) The reimbursement rates described in subsection (A)(2) of this Section above shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports.

B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

- 4) Maternal and Child Health Program rates, as described in 89 Ill. Adm. Code 140.464(b)(1), shall be paid to Certified Hospital Ambulatory Care Centers (CHACC) as described in 89 Ill. Adm. Code 140.461(f)(1)(D) and Section 148.25(b)(5)(D). Certified Hospital Organized Satellite Clinics (CHOSC), as described in 89 Ill. Adm. Code 140.461(f)(1)(B) and Section 148.25(b)(5)(B), and Certified Obstetrical Ambulatory Care Centers (COBACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(C) and Section 148.25(b)(5)(C), Maternal and Child Health Program rates shall also be paid to Certified Pediatric Ambulatory Care Centers (CPACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(D) and Section 148.25(b)(5)(D), for covered services as described in 89 Ill. Adm. Code 140.462(e)(3), that are provided to non-assigned Maternal and Child Health program clients, as described in 89 Ill. Adm. Code 140.464(b)(1).
- 5) Certified Pediatric Ambulatory Care Centers (CPACC), as described in 89 Ill. Adm. Code 140.461(f)(1)(D) and Section 148.25(b)(5)(D), shall be reimbursed in accordance with 89 Ill. Adm. Code 140.464(b)(2) for assigned clients.
- 6) Hospitals described in Sections 148.25(b)(2)(A) and 148.25(b)(2)(B) shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year.
- 7) With the exception of the retrospective adjustment described in subsection (A)(3) of this Section above, no year-end reconciliation is made to the reimbursement rates calculated under this Section.

b) Hospital Ambulatory Care Program

Effective April 1, 1986, the Department liberalized the list of allowable ambulatory procedures to add many surgical, diagnostic and highly technical treatment procedures that can be performed and reimbursed on an ambulatory basis:

- 1) Hospital ambulatory surgery
- 2) Under the Hospital Ambulatory Care Program, a Hospital Ambulatory

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Care list was developed that defines those technical procedures that require the use of the hospital outpatient or hospital-based clinic setting, its technical staff and/or equipment. These procedures were separated into four separate groupings based upon the complexity and historical costs of the procedures. The four separate groupings are as follows:

- A) Group I procedures are high level technology surgeries that consume many hospital resources and are costly to deliver.
- B) Group II procedures are certain nonsurgical, very high level technology services that are recognized and approved by the board of medical staff and the board of trustees.
- C) Group III procedures are other surgical, specialized cardiac and diagnostic procedures.
- D) Group IV procedures are specialized treatment procedures, observation services, high risk, and emergency room services.

2) Hospital Ambulatory Care List Updating

The Hospital Ambulatory Care List is updated periodically. As technology changes, so do the procedures that fall into the four categories. In addition, annual changes in the ICD-9-CM procedure codes and their meanings necessitate annual changes to the Hospital Ambulatory Care List.

- 3) Hospital Ambulatory Care Reimbursement Prior to July 1, 1995
Reimbursement for Hospital Ambulatory Care procedures was established in 1986. The Hospital Ambulatory Care List and the groupings identified in subsection (b)(1) of this Section above, a set rate maximum has been developed based upon the complexity of the procedures, historical costs, and teaching status of the hospital, the type of hospital, and the setting in which the procedure would most likely be performed (i.e., outpatient department, general clinic department, psychiatric clinic department, or physical rehabilitation clinic department). These set rate maximums have been periodically adjusted since 1986 based upon the above factors. Reimbursement for Hospital Ambulatory Care procedures performed prior to July 1, 1995, shall be reimbursed in accordance with the statutes and administrative rules governing the time period when the services were rendered.
- 4) Hospital Ambulatory Care Reimbursement Effective July 1, 1995
Hospital Ambulatory Care Reimbursement for Hospital Ambulatory Care procedures shall be as follows:

- A) With respect to Group I procedures described in subsection (b)(1)(A) of this Section above, reimbursement shall be at the lesser of charges or the hospital's alternate reimbursement rate, as defined in Section 148.270(a), equivalent to the rate of one-day inpatient stay.
- B) With respect to Group II procedures described in subsection (b)(1)(B) of this Section above, reimbursement shall be at the lesser of charges or one of two separate rate maximums

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depending upon whether the hospital is classified as:

- i) A hospital defined in Section 148.25(b)(2)(A), through (b)(2)(C) which is a major teaching hospital as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or 149.50(c)(3); or
- ii) A hospital defined in Section 148.25(b).
- C) With respect to the Group III procedures described in subsection (b)(1)(C) of this Section above, reimbursement shall be at the lesser of charges or one of two separate rate maximums depending upon whether the hospital is classified as:

 - i) (b)(2)(C) which is a major teaching hospital, as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or 149.50(c)(3); or
 - ii) A hospital defined in Section 148.25(b).
 - D) With respect to the Group IV procedures described in subsection (b)(1)(D) of this Section above, reimbursement shall be at the lesser of charges or one of six separate rate maximums depending upon:

- i) Whether the hospital is classified as at ¶ A (b)(2)(C) which is a major teaching hospital, as defined in Section 148.25(d); or a children's hospital, as defined in 89 Ill. Adm. Code 149.50(c)(3); or ¶ A hospital defined in Section 148.25(b); and
- ii) Whether the service is provided in the outpatient, general clinic, psychiatric clinic, or rehabilitation clinic department.

5) County Facility Outpatient Adjustment

- A) Effective for services provided on or after July 1, 1995, county owned hospitals in an Illinois county with a population of over three million shall be eligible for a county facility outpatient adjustment payment. This adjustment payment shall be in addition to the amounts calculated under this Section and are calculated as follows:
- i) Beginning with July 1, 1995, hospitals under this subsection shall receive an annual adjustment payment equal to total base year hospital outpatient costs reduced to the rate year hospital outpatient costs rate year hospital outpatient payments, multiplied by the resulting ratio derived from the difference between total base year hospital outpatient costs divided by the quotient of the difference between total base year hospital outpatient costs trended forward to the rate year and total estimated rate year

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- hospital outpatient payments divided by one million.
- ii) The county facility outpatient adjustment under this subsection shall be made on a quarterly basis.
- B) County Facility Outpatient Adjustment Definition. The county facility outpatient adjustment shall be calculated on the basis of the county facility outpatient adjustment to follow:
- i) "Base Year" means the most recently completed State fiscal year.
- ii) "Rate Year" means the State fiscal year during which the county facility adjustment payments are made.
- iii) "Total Estimated Rate Year Hospital Outpatient Payments" means the Department's total estimated outpatient date of service liability, projected for the upcoming rate year.
- iv) "Total Hospital Outpatient Costs" means the statewide sum of all hospital outpatient costs derived by summing each hospital's outpatient charges derived from actual paid claims data multiplied by the hospital's cost-to-charge ratio.
- 6) No Year-End Hospital Cost-to-Charge Ratio. With the exception of the retrospective rate adjustment described in subsection (b)(7) of this Section, no year-end reconciliation is made to the reimbursement rates calculated under subsection (b).
- 7) Rate Adjustments. With respect to those hospitals described in Sections 148.25(b)(2)(A), the reimbursement rates described in subsection (b)(4) of this Section above shall be adjusted on a retrospective basis. The retrospective adjustment shall be calculated as follows:
- A) The reimbursement rates described in subsection (b)(4) of this Section above shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum rate shall be adjusted on the first day of July of each year by the annual change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports.
- B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.
- 8) Services are available to all clients in geographic areas in which an encounter rate hospital or a county-operated outpatient facility is located. All specific client coverage policies (relating to client eligibility and scope of services available to those clients) which pertain to the services billed are applicable to hospitals reimbursed under the Ambulatory Care Program in the same manner as to encounter rate hospitals and to non-hospital and hospital providers who bill and receive

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- reimbursement on a fee-for-service basis.
- 9) Hospitals described in Sections 148.25(b)(2)(A) and (b)(2)(B) shall be required to submit outpatient cost reports to the Department within 90 days after the close after the facility's fiscal year.
- C) Payment for patient end-stage renal disease treatment (ESRDT) services provided pursuant to Section 148.40(c) shall be made at the Department's payment rates, as follows:
- 1) For inpatient hospital services provided pursuant to Section 148.40(c)(1), the Department shall reimburse hospitals pursuant to Sections 148.240 through 148.300 and 89 Ill. Adm. Code 149.
- 2) For outpatient services or home dialysis treatments provided pursuant to Sections 148.40(c)(2) or 148.40(c)(3), the Department will reimburse hospitals and clinics for ESRDT services at a rate which will reimburse the provider for the dialysis treatment and all related supplies and equipment, as defined in 42 CFR 405.2163 (1994). This rate will be that rate established by Medicare pursuant to 42 CFR 405.2124 and 413.170 (1994).
- 3) Payment for non-routine services. For services which are provided during outpatient or home dialysis treatment pursuant to Sections 148.40(c)(2) or (3), no separate reimbursement for routine services under 42 CFR 405.2163 (1994), separate payment will be made to independent laboratories, pharmacies, and medical supply providers pursuant to 89 Ill. Adm. Code 140.430 through 140.434, 140.440 through 140.450, and 140.475 through 140.481, respectively.
- 4) Payment for physician services relating to ESRDT will be made separately to physicians, pursuant to 89 Ill. Adm. Code 140.400.
- 5) With respect to those hospitals described in Section 148.25(b)(2)(A), the reimbursement rates described in this subsection (c) shall be adjusted on a retrospective basis. The retrospective adjustment shall be calculated as follows:
- A) The reimbursement rates described in this subsection (c) shall be no less than the reimbursement rates in effect on June 1, 1992, except that this minimum rate shall be adjusted on the first day of July of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports.
- B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.
- 6) With the exception of the retrospective rate adjustment described in subsection (c)(5) of this Section above, no year-end reconciliation is made to the reimbursement rates calculated under this subsection (c).
- 7) Hospitals described in Sections 148.25(b)(2)(A) and 148.25(b)(2)(B) shall be required to submit outpatient cost

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reports to the Department within 90 days after the close of the facility's fiscal year.

- d) Non Hospital Based Clinic Reimbursement
- 1) County-Operated Outpatient Facility Reimbursement
- Reimbursement for all services provided by county-operated outpatient facilities, as described in Section 148.25(b)(2)(C), that do not qualify as either a Maternal and Child Health Program Managed Care clinics, as described in 89 Ill. Adm. Code 140.461(f), or as a Critical Clinic Provider, as described in subsection (e) of this Section, shall be on an all-inclusive per encounter rate basis as follows:

- A) Base Rate. The per encounter base rate shall be calculated as follows:
 - i) Allowable direct costs shall be divided by the number of direct encounters to determine an allowable cost per encounter delivered by direct staff.
 - ii) The resulting sum, as calculated in subsection i), shall be multiplied by the Supplemental Rate factor to calculate the Medicare allowable overhead rate.
 - iii) The resulting product, as calculated in subsection i), shall be added to the resulting quotient, as calculated in subsection ii), to determine the per encounter base rate.
 - iv) The resulting sum, as calculated in subsection i), shall be the per encounter base rate.
- B) Supplemental Rate
 - i) The supplemental service cost shall be determined by the number of direct staff encounters to determine the supplemental service cost per encounter.
 - ii) The allowable overhead rate factor to calculate the supplemental overhead cost per encounter.
 - iii) The quotient derived in subsection (i) of this Section above, shall be added to the product derived in subsection (ii) of this Section above, to determine the per encounter supplemental rate.
 - iv) The resulting sum, as described in subsection (i) of this Section above, shall be the per encounter supplemental rate.
- C) Final Rate
 - 1) The per encounter base rate, as described in subsection (d)(1)(A)(iv) of this Section, shall be added to the per encounter supplemental rate, as described in subsection (d)(1)(B)(iv) of this Section,

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- ii) To determine the per encounter final rate, the resulting sum, as determined in subsection (d)(1)(C)(i) of this Section above, shall be the per encounter final rate.
- iii) The per encounter final rate, as described in subsection (d)(1)(C)(ii) of this Section above, shall be adjusted in accordance with subsection (d)(2) of this Section below.

2) Rate Adjustments

Rate adjustments to the per encounter final rate, as described in subsection (d)(1)(C)(iii) of this Section above, shall be calculated as follows:

- A) The reimbursement rates described in subsections (d)(1)(A) through (d)(1)(C) and (e)(2) of this Section shall be no less than the reimbursement rates in effect on June 1, 1992, that is, rates shall be adjusted on the first day of July of each year by the percentage change in the per diem cost of inpatient hospital services reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.
- B) The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.
- 3) County-operated outpatient facilities, as described in Section 148.25(b)(2)(C), shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year. No year-end reconciliation is made to the reimbursement calculated under this subsection (d).
- 4) An encounterable hospital is a hospital in geographic areas in which an encounterable hospital is located. All specific clinics (relating to client eligibility and scope of services) available to those clients which pertain to the service billed are applicable to encounter rate hospitals in the same manner as to hospitals reimbursed under the Ambulatory Care Program and to non-hospital and hospital providers who bill and receive reimbursement on a fee-for-service basis.

e) Critical Clinic Providers

- 1) Effective for services provided on or after September 19, 1997, clinics owned and operated by a county with a population of over 3,000,000, that are within or adjacent to a hospital, shall qualify as a Critical Clinic Provider if the facility meets the efficiency standards established by the Department. The Department's efficiency standards under this subsection (e) require that the quotient of total encounters per facility fiscal year for the Critical Clinic Provider divided by total full time

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equivalent physicians providing services at the Critical Clinic Provider shall be created, and the reimbursement rate shall be:

- A) 2700 for reimbursement provided during the facility's cost reporting year ending during 1998.
- B) 2900 for reimbursement provided during the facility's cost reporting year ending during 1999.
- C) 3100 for reimbursement provided during the facility's cost reporting year ending during 2000.
- D) 3600 for reimbursement provided during the facility's cost reporting year ending during 2001, and
- E) 4200 for reimbursement provided during the facility's cost reporting year ending during 2002.

2) Reimbursement for all services provided by a Critical Clinic Provider shall be on an all-inclusive per-encounter rate which shall equal reported direct costs of the Critical Clinic Provider. The facility's cost reporting period ending in 1995, divided by the number of Medicaid services provided during that cost reporting period, as adjudicated by the Department through July 31, 1997.

3) Critical Clinic Providers, as described in this subsection (e), shall be required to submit outpatient cost reports to the Department within 90 days after the close of the facility's fiscal year. No year-end reconciliation is made to the reimbursement calculated under this subsection (e).

4) The reimbursement rates described in this subsection (e) shall be no less than the reimbursement rates in effect on July 1, 1992, except that this minimum shall be adjusted on the first day of each year by the annual percentage change in the per diem cost of inpatient hospital services as reported on the two most recent annual Medicaid cost reports. The per diem cost of inpatient hospital services shall be calculated by dividing the total allowable Medicaid costs by the total allowable Medicaid days.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE(S)

1) Heading of the Part: Environmental Impact Fee

2) Code Citation: 86 Ill. Adm. Code 501

3) Section Numbers: Proposed Action:
501.100 New Section
501.200 New Section
501.300 New Section

4) Statutory Authority: 415 ILCS 125

5) A Complete Description of the Subjects and Issues Involved: This rulemaking is prompted by Public Acts 99-457 and 99-468.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rulemaking contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create a State Mandate, nor does it modify any existing State mandates.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this notice to:

Gina Roccaforte
Associate Counsel
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794
Phone: (217) 782-6996

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: Receivers of motor fuel.
- B) Retaining, bookkeeping or other procedures required for compliance: Minimal
- C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the proposed Amendment(s) begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULE(S)

TITLE 86: REVENUE

CHAPTER 1: DEPARTMENT OF REVENUE

PART 501

ENVIRONMENTAL IMPACT FEE

Section

501.100 Definitions

501.200 Basis and Rate of the Environmental Impact Fee Law

501.300 Motor Fuel Tax Regulations Applied

AUTHORITY: Implementing the Environmental Impact Fee Law [415 ILCS 125] and authorized by Section 39b19 of the Civil Administrative Code of Illinois [20 ILCS 2205/39b19].

SOURCE: Adopted at 21 Ill. Reg. _____, effective _____.

Section 501.100 Definitions

For purposes of this Part, the following definitions apply:

"Department" means the Illinois Department of Revenue.

"Fuel" means all liquids defined as "Motor Fuel" in Section 1.1 of the Motor Fuel Tax Law and aviation fuels and kerosene, but excluding liquefied petroleum gases. (Section 305 of the Law)

"Law" means the Environmental Impact Fee Law [415 ILCS 125].

"Receiver" means a person who is licensed under Section 3c of the Motor Fuel Tax Law and who either produces, refines, blends, compounds or manufactures fuel in this State, or transports fuel into this State or receives fuel transported to him from without the State or exports fuel out of this State, or who is engaged in distribution of fuel primarily to other car, tank truck, or both, and who operates an Illinois bulk plant that has a net effective bulk storage capacity of not less than 30,000 gallons. (Section 305 of the Law)

Section 501.200 Basis and Rate of the Environmental Impact Fee Law

a) Beginning January 1, 1996, all receivers of fuel are subject to an environmental impact fee of \$60 per 7,500 gallons of fuel, or an equivalent amount per fraction thereof, that is sold or used in Illinois. The fee shall be paid by the receiver in this State who first sells or uses the fuel. (Section 310 of the Law)

b) A receiver of fuels is subject to the fee without regard to whether the fuel is intended to be used for operation of motor vehicles on the

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public highways and waters. However, no fee shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with over 170,000 operations per year, located in a city of more than 1,000,000 inhabitants, for sale to or use by holders of certificates of public convenience and necessity or foreign air carrier permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate or permit holders and used in their activities at an airport described above. In addition, no fee may be imposed upon the importation or receipt of diesel fuel by a rail carrier registered under Section 306(a) of the Illinois Vehicle Code and used directly in railroad operations. In addition, no fee may be imposed when the sale is made with delivery to a purchaser outside this State when the sale is made to a person holding a valid license as a receiver. In addition, no fee shall be imposed upon diesel fuel consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale. (Section 310 of the Law)

Section 501.300 Motor Fuel Tax Regulations Applied

The following Sections of the Motor Fuel Tax Regulations apply to entities affected by this Part insofar as they relate to the application of the provisions of the Environmental Impact Fee Law or to the application thereof: 86 Ill. Adm. Code 500.203, 500.205, 500.215, 500.230, 500.240, 500.270, 500.400, 500.405, 500.500, 500.505, and 500.600. References to "taxes" in these referenced Sections shall be construed to apply to the administration, payment, and remittance of all fees under this Part.

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NOTICE OF PROPOSED AMENDMENT

- 1) Heading of the Part: Income Tax
- 2) Code Citation: 86 Ill. Adm. Code 100
- 3) Section Numbers: Proposed Action:
100.2480 New Section
- 4) Statutory Authority: 35 ILCS 5/203(a)(2)(J), (b)(2)(K), (c)(2)(M) and (d)(2)(K).

5) A Complete Description of the Subjects and Issues Involved: Section 203 of the Illinois Income Tax Act allows taxpayers a subtraction modification from income for dividends paid by a corporation that conducts all or substantially all of its business operations in an Enterprise Zone. The Act is silent as to the manner in which the Department is to determine whether a corporation conducts "substantially all" of its operations in an Enterprise Zone. The proposed rule provides that a corporation must conduct 95% of one of the following activities within the zone in order to meet the "substantially all" test: (1) the percentage of the corporation must use the apportionment formula in the percentage, the formula must be applied at the Enterprise Zone level rather than the State level. In the case of corporations using the three-factor formula (payroll, property and sales) prescribed for taxpayers generally in Section 304(a) of the Illinois Income Tax Act, the regulation provides that only the property and payroll factors are used in calculating the portion of business activity conducted within an Enterprise Zone.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
No

7) Does this rulemaking contain an automatic renewal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? Yes

100.2195	New Section	September 5, 1997 (21 Ill. Reg. 12100)
100.3120	New Section	September 19, 1997 (21 Ill. Reg. 12835)

10) Statement of Statewide Policy Objectives: This rulemaking does not create a State Mandate, nor does it modify any existing State Mandates.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may wish to submit comments on this proposed rule may submit them in writing by no later than 45 days after publication

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of this notice to:

Paul Caselton
Senior Counsel - Income Tax
Illinois Department of Revenue
Legal Services Office
301 West Jefferson
Springfield, Illinois 62708
Phone: (217) 782-7055

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: Any small business organized as a corporation which conducts substantially all of its business activities in an Enterprise Zone or which has invested in a corporation which conducts substantially all of its business activities in an Enterprise Zone.
- B) Reporting, bookkeeping or other procedures revised for compliance:
None

C) Types of professional skills necessary for compliance: No additional Professional skills are necessary for compliance with this rulemaking.

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the Proposed Amendment begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENT

TITLE 86: REVENUE

CHAPTER I: DEPARTMENT OF REVENUE

PART 100
INCOME TAX

SUBPART A: TAX IMPOSED

Section
100.2000
100.2050

Introduction
Net Income (IITA Section 202)

SUBPART B: CREDITS

Section
100.2100

Replacement Tax Investment Credit Prior to January 1, 1994 (IITA 201(e))
Replacement Tax Investment Credit (IITA 201(f))
JOSB Tax Credit: Enterprise Zone and Foreign Trade Zone or Sub-Zone Investments (IITA 201(g))
Investment Credit: High Impact Business (IITA 201(h))
Credit Against Income Tax: Investment Tax (IITA 201(i))
Training Expense Credit (IITA 201(j))
Research and Development Credit (IITA 201(k))
Tax Credits for Coal Research and Coal Utilization Equipment (IITA 206)
Credit for Residential Real Property Taxes (IITA 208)

100.2180

SUBPART C: NET OPERATING LOSSES OF UNITARY BUSINESS GROUPS
OCCURRING PRIOR TO DECEMBER 31, 1986

Section
100.2200

Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group (IITA Section 202) - Scope
Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group (IITA Section 202) - Definitions
Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group (IITA Section 202) - Current Net Operating Losses; Offsets Between Members

100.2230

Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group (IITA Section 202) - Carrybacks and Carryforwards
Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary

100.2240

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Business Group: (IITA Section 202) - Effect of Combined Net Operating Loss in Computing Illinois Base Income
Net Operating Losses Occurring Prior to December 31, 1986, of Unitary Business Groups: Treatment by Members of the Unitary Business Group: (IITA Section 202) - Deadline for Filing Claims Based on Net Operating Losses Carried Back From a Combined Apportionment Year

100.2250

SUBPART D: ILLINOIS NET LOSS DEDUCTIONS OCCURRING ON OR AFTER
DECEMBER 31, 1986

Section
100.2300

Illinois Net Loss Deductions for Losses Occurring On or After December 31, 1986
Computation of the Illinois Net Loss Deduction
Determination of the Amount of Illinois Net Loss Carryovers
Illinois Net Loss Carrybacks and Net Loss Carryovers
Illinois Net Loss Deductions of Corporations That are Members of a Unitary Business Group: Separate Unitary Versus Combined Unitary Returns
Illinois Net Loss Deductions of Corporations That are Members of a Unitary Business Group: Changes in Membership

100.2350

SUBPART E: ADDITIONS TO AND SUBTRACTIONS FROM TAXABLE INCOME OF INDIVIDUALS,
CORPORATIONS, TRUSTS AND ESTATES AND PARTNERSHIPS

Section
100.2470

Subtraction of Amounts Exempt from Taxation by Virtue of Illinois Law, the Illinois U.S. Constitution, or by Reason of U.S. Treaties or Statutes (IITA Sections 203(a)(2)(N), 203(b)(2)(J), 203(c)(2)(K) and 203(d)(2)(G))
Enterprise Zone Dividend Subtraction (IITA Sections 203(a)(2)(J), 203(b)(2)(K), 203(c)(2)(M) and 203(d)(2)(G))

100.2480

SUBPART F: BASE INCOME OF INDIVIDUALS

Section
100.2580

Medical Care Savings Accounts (IITA Sections 203(a)(2)(D-5), 203(a)(2)(S) and 203(a)(2)(T))
Taxation of Certain Employees of Railroads, Motor Carriers, Air Carriers and Water Carriers

100.2590

SUBPART G: BASE INCOME OF TRUSTS AND ESTATES

Section
100.2680

Capital Gain Income of Estates and Trusts Paid to or Permanently Set Aside for Charity

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SUBPART I: GENERAL RULES OF ALLOCATION AND APPORTIONMENT OF
BASE INCOME

Section
100.3000
100.3010
100.3020

Terms Used in Article 3 (IITA Section 301)
Business and Nonbusiness Income (IITA Section 301)
Resident (IITA Section 301)

SUBPART J: COMPENSATION PAID TO NONRESIDENTS

Section
100.3100
100.3110
100.3120

Compensation (IITA Section 302)
State (IITA Section 302)
Allocation of Compensation Paid to Nonresidents (IITA Section 302)

SUBPART K: NON-BUSINESS INCOME OF PERSONS OTHER THAN RESIDENTS

Section
100.3200
100.3210
100.3220

Taxability in Other State (IITA Section 303)
Commercial Domicile (IITA Section 303)
Allocation of Certain Items of Nonbusiness Income by Persons Other than Residents (IITA Section 303)

SUBPART L: BUSINESS INCOME OF PERSONS OTHER THAN RESIDENTS

Section
100.3300
100.3310
100.3320

Allocation and Apportionment of Base Income (IITA Section 304)
Business Income of Persons Other Than Residents (IITA Section 304) -
General
Apportionment of Persons Other Than Residents (IITA Section 304) -
Business Income of Persons Other Than Residents (IITA Section 304) -

Section
100.3340
100.3350
100.3360
100.3370
100.3380
100.3390

Allocation
Business Income of Persons Other Than Residents (IITA Section 304)
Property Factor (IITA Section 304)
Payroll Factor (IITA Section 304)
Sales Factor (IITA Section 304)
Special Rules (IITA Section 304)
Petitions for Alternative Allocation or Apportionment (IITA Section 304(f))

SUBPART N: TIME AND PLACE FOR FILING RETURNS

Section
100.4000
100.5010
100.5020

Time for Filing Returns: Individuals (IITA Section 505)
Place for Filing Returns: All Taxpayers (IITA Section 505)
Extensions of Time for Filing Returns: All Taxpayers (IITA Section 505)

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Taxpayer's Notification to the Department of Certain Federal Changes Arising in Federal Consolidated Return Years, and Arising in Certain Loss Carryback Years (IITA Section 506)

SUBPART O: COMPOSITE RETURNS

Section
100.5030

Composite Returns: Eligibility
Composite Returns: Responsibilities of Authorized Agent
Composite Returns: Individual Liability
Composite Returns: Required Forms and Computation of Income
Composite Returns: Estimated Payments
Composite Returns: Tax, Penalties and Interest
Composite Returns: Credit for Resident Individuals
Composite Returns: Definition of a "Lloyd's Plan of Operation"

SUBPART P: COMBINED RETURNS

Section
100.5200
100.5210
100.5220
100.5230
100.5240

Election to File a Combined Return
Procedure for Making the Election
Designated Agent for the Members
Designated Agent for the Beneficiaries
Claims for Credit of Overpayments
Liability for Combined Tax, Penalty and Interest
Combined Amended Returns
Computation of Combined Income and Tax
Definitions and Miscellaneous Provisions Relating to Combined Returns

SUBPART Q: REQUIREMENT AND AMOUNT OF WITHHOLDING

Section
100.7000
100.7010
100.7020
100.7030
100.7040
100.7050
100.7060
100.7070
100.7080

Requirement of Withholding (IITA Section 701)
Compensation Paid in this State (IITA Section 701)
Transacting Business Within this State (IITA Section 701)
Payments to Residents (IITA Section 701)
Payments to Nonresidents (IITA Section 701)
Computation of Amount Withheld (IITA Section 701)
Additional Withholding (IITA Section 701)
Voluntary Withholding (IITA Section 701)
Correction of Under withholding or Overwithholding (IITA Section 701)
Reciprocal Agreement (IITA Section 701)
Cross References

SUBPART R: AMOUNT EXEMPT FROM WITHHOLDING

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Section
100-7200 Withholding Exemption (IITA Section 702)
100-7210 Withholding Exemption Certificate (IITA Section 702)
100-7220 Exempt Withholding Under Reciprocal Agreements (IITA Section 702)

SUBPART S: INFORMATION STATEMENT

Section
100-7200 Reports for Employee (IITA Section 703)
SUBPART T: EMPLOYER'S RETURN AND PAYMENT OF TAX WITHHELD
Section
100-7300 Returns of Income Withheld from Wages (IITA Section 704)
100-7310 Quarterly Returns Filed on an Annual Basis (IITA Section 704)
100-7320 Time for Filing Returns (IITA Section 704)
100-7330 Payment of Tax Deducted and Withheld (IITA Section 704)
100-7340 Correction of Under withholding or Overwithholding (IITA Section 704)

SUBPART U: COLLECTION AUTHORITY

Section
100-9000 General Income Tax Procedures (IITA Section 901)
100-9010 Collection Authority (IITA Section 901)

SUBPART V: NOTICE AND DEMAND

Section
100-9100 Notice and Demand (IITA Section 902)

SUBPART W: ASSESSMENT

Section
100-9200 Assessment (IITA Section 903)
100-9210 Waiver of Restrictions on Assessments (IITA Section 907)

SUBPART X: DEFICIENCIES AND OVERPAYMENTS

Section
100-9310 Deficiencies and Overpayments (IITA Section 904)
100-9320 Application of Tax Payments Within Unitary Business Groups (IITA Section 903)
100-9330 Further Notices of Deficiency Restricted (IITA Section 906)

SUBPART Y: CREDITS AND REFUNDS

Section
100-9400 Credits and Refunds (IITA Section 909)
100-9410 Limitations on Claims for Refund (IITA Section 911)
100-9420 Recovery of Erroneous Refund (IITA Section 912)

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Section
100-9400 Credits and Refunds (IITA Section 909)
100-9410 Limitations on Claims for Refund (IITA Section 911)
100-9420 Recovery of Erroneous Refund (IITA Section 912)

SUBPART Z: INVESTIGATIONS AND HEARINGS

Section
100-9500 Access to Books and Records (IITA Section 913)
100-9510 Access to Books and Records - 60-Day Letters (IITA Section 913)
100-9520 Notice of Requirements and Practice Requirements
100-9530 Conduct of Investigations and Hearings

SUBPART AA: JUDICIAL REVIEW

Section
100-9600 Administrative Review Law (IITA Section 1201)

SUBPART BB: DEFINITIONS

Section
100-9700 Unitary Business Group Defined (IITA Section 1501)

SUBPART CC: LETTER RULING PROCEDURES

Section
100-9800 Letter Ruling Procedures

APPENDIX A Business Income of Persons Other Than Residents
TABLE A Example of Unitary Business Apportionment
TABLE B Example of Unitary Business Apportionment for Groups Which Include Members Using Three-Factor and Single-Factor Formulas

AUTHORITY: Implementing the Illinois Income Tax Act [35 ILCS 5] and authorized by Section 1401 of the Illinois Income Tax Act [35 ILCS 5/1401].

SOURCE: Filed July 14, 1971, effective July 24, 1971; amended at 2 Ill. Reg. 49 P. 84, effective November 29, 1978; amended at 5 Ill. Reg. 813, effective January 11, 1981; amended at 5 Ill. Reg. 461, effective April 14, 1981; amended at 5 Ill. Reg. 512, effective May 11, 1981; amended at 5 Ill. Reg. 570, effective May 20, 1981; amended at 5 Ill. Reg. 583, effective May 20, 1981; amended at 5 Ill. Reg. 684, effective June 16, 1981; amended at 5 Ill. Reg. 1324, effective November 13, 1981; amended at 5 Ill. Reg. 1372, effective November 30, 1981; amended at 6 Ill. Reg. 579, effective December 29, 1981; amended at 6 Ill. Reg. 9701, effective July 26, 1982; amended at 7 Ill. Reg. 399, effective December 28, 1982; codified at 8 Ill. Reg. 19574; amended at 9 Ill. Reg. 16986, effective October 21, 1985; amended at 9 Ill. Reg. 685, effective December 31, 1985;

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amended at 10 Ill. Reg. 7913, effective April 28, 1986; amended at 10 Ill. Reg. 19512, effective November 3, 1986; amended at 10 Ill. Reg. 21941, effective December 15, 1986; amended at 11 Ill. Reg. 831, effective December 24, 1986; amended at 11 Ill. Reg. 2450, effective January 20, 1987; amended at 11 Ill. Reg. 12410, effective July 8, 1987; amended at 11 Ill. Reg. 17782, effective October 16, 1987; amended at 12 Ill. Reg. 4865, effective February 25, 1988; amended at 12 Ill. Reg. 6748, effective March 25, 1988; amended at 12 Ill. Reg. 11766, effective July 1, 1988; amended at 12 Ill. Reg. 14307, effective August 1, 1988; amended at 13 Ill. Reg. 8917, effective May 30, 1989; amended at 13 Ill. Reg. 10952, effective June 26, 1989; amended at 14 Ill. Reg. 4558, effective March 8, 1990; amended at 14 Ill. Reg. 6810, effective April 19, 1990; amended at 14 Ill. Reg. 10082, effective June 7, 1990; amended at 14 Ill. Reg. 10016, effective September 17, 1990; emergency amendment at 17 Ill. Reg. 42, effective September 17, 1990; amended at 17 Ill. Reg. 13776, effective April 29, 1993; amended at 17 Ill. Reg. 8869, effective June 2, 1993; amended at 17 Ill. Reg. 13776, effective April 29, 1993; reclassified at 17 Ill. Reg. 14189; amended at 17 Ill. Reg. 19632, effective November 1, 1993; amended at 17 Ill. Reg. 19966, effective November 9, 1993; amended at 18 Ill. Reg. 1510, effective January 13, 1994; amended at 18 Ill. Reg. 2494, effective January 28, 1994; amended at 18 Ill. Reg. 7768, effective May 4, 1994; amended at 19 Ill. Reg. 1839, effective February 6, 1995; amended at 19 Ill. Reg. 5824, effective March 31, 1995; emergency amendment at 20 Ill. Reg. 1616, effective January 9, 1996; for a maximum of 150 days; amended at 20 Ill. Reg. 6981, effective May 7, 1996; amended at 20 Ill. Reg. 10706, effective July 29, 1996; amended at 20 Ill. Reg. 13365, effective September 27, 1996; amended at 20 Ill. Reg. 14617, effective October 29, 1996; amended at 21 Ill. Reg. 958, effective January 6, 1997; for a maximum of 150 days; amended at 21 Ill. Reg. 2469, effective February 24, 1997; for a maximum of 150 days; amended at 21 Ill. Reg. _____, effective _____.

SUBPART E: ADDITIONS TO AND SUBTRACTIONS FROM TAXABLE INCOME OF INDIVIDUALS, CORPORATIONS, TRUSTS AND ESTATES AND PARTNERSHIPS

Section 100.2480 Enterprise Zone Dividend Subtraction (ITA Sections 203(a)(2)(G), 203(b)(2)(K), 203(c)(2)(M) and 203(g)(2)(K))

- a) Taxpayers are entitled to subtract from taxable income (adjusted gross income, in the case of an individual) an amount equal to dividends paid by a corporation which conducts business operations in an Enterprise Zone or zones created under the Illinois Enterprise Zone Act, and conducts all or substantially all of its operations in the Enterprise Zone. The amount of the subtraction shall be the lesser of (i) 203(c)(2)(M) and 203(g)(2)(K), and (ii) 203(b)(2)(K).
- b) A corporation conducts substantially all of its business within an Enterprise Zone when 95% or more of its total business activity during a taxable year is operated within an Enterprise Zone. For the purpose of this Section, business activity within an Enterprise Zone shall be measured by means of the factors ordinarily applicable to the

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corporation under subsection (a), (b), (c), or (d) of IITA Section 304 except that, in the case of a corporation ordinarily required to apportion business income by means of the 3-factor formula of Section 304, such corporation shall not use the sales factor in the computation. In measuring the business activity of a corporation within an Enterprise Zone, the apportionment factors of that corporation shall be determined without regard to the factors of business activity of any other corporation and, in the case of a corporation engaged in a unitary business with any other person, the apportionment factors of that corporation shall be determined as if it were not engaged in a unitary business with such other person.

1) Section 304. A corporation using property, payroll and apportionment formula under subsection (b), (c) or (d) of IITA Section 304 shall compute its business activity within an Enterprise Zone for purposes of the Enterprise Zone and the Enterprise Zone shall be computed by dividing the property and payroll computations. The result of the property and payroll factor computations shall be divided by 2 (by one if either the property or payroll factor has a denominator of zero). If the amount so computed is 95% or greater, the dividends paid by the corporation shall qualify for this subtraction. In the case where a corporation does not have any payroll or property within an Enterprise Zone, the corporation is not conducting any of its business operations within an Enterprise Zone for the purposes of this Section.

2) All other Corporations: A corporation using a 1-factor apportionment formula under subsection (b), (c) or (d) of IITA Section 304 shall compute its business activity within an Enterprise Zone for purposes of the Enterprise Zone and everywhere else pursuant to its ordinarily applicable factor under subsection (b), (c) or (d) of Section 304. A corporation using an alternative method of apportionment under Section 304(f) shall petition the Department for approval of an alternative method of determining its qualification under this Section, and only upon the Department's approval shall the corporation be allowed to use a method not provided in this Section.

3) Example: In the tax year ending December 31, 1995, Taxpayer received dividends from a bank holding company, whose sole asset was the stock in a bank with which it was conducting a unitary business. Both the bank holding company and the bank are registered in an Enterprise Zone. The bank's business consisted of accepting deposits, making loans and purchasing investments. The bank conducted business in its branches located throughout the State. However, the bank holding company's sole source of income on a separate-company basis was the dividends it received from the bank, and all of this income was received

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within the Enterprise Zone. In determining its business income apportionable to Illinois in 1995, the bank holding company and the bank used the apportionment formula under IITA Section 301(c) on its combined basis. In order to determine whether 75% or more of the income from sources within the Enterprise Zone is derived from sources within the Enterprise Zone, the bank holding company is required to use the apportionment formula under IITA Section 304(c) as if it were not engaged in unitary business with the bank. Pursuant to the formula, dividends which are received within this State are apportionable to Illinois. As a result, the bank holding company in this case must compute the percentage of dividends which are received within the Enterprise Zone to determine income apportionable to the Enterprise Zone. Since it received all of its business income from sources within the Enterprise Zone, the bank holding company would meet the 95% test.

C) Taxpayers are entitled to this subtraction in the taxable year in which qualifying dividends are paid by corporations. Corporations having dividends shall be deemed to have started business operations within an Enterprise Zone from the later of the corporation having the

1) dividends is located or officially designated by the Department of Commerce and Community Affairs;

2) The date the corporation having dividends commenced operations in the Enterprise Zone; or

3) The effective date of the Public Act enacting this subtraction (December 7, 1982).

d) Limitations.

1) This Section allows taxpayers to subtract distributions from a corporation only to the extent:

A) such distributions are characterized as dividends;

B) such dividends are included in federal taxable income (in the case of an individual, adjusted gross income) of the taxpayer; and

C) the taxpayer has not subtracted such dividends from federal taxable income (in the case of an individual, adjusted gross income) under any other provision of Section 203 of the IITA.

2) Example: Taxpayer, an S corporation shareholder, receives a distribution from an S corporation which conducts substantially all of its business in an Enterprise Zone. Although the S corporation satisfies the 95% test, Taxpayer is not entitled to this subtraction modification since a distribution by an S corporation is generally not characterized as a dividend. See Section 1368 of the Internal Revenue Code.

3) Example: Taxpayer, a corporation, receives a dividend from another corporation which qualifies for the 70% dividends received deduction under Section 243(a)(1) of the Internal Revenue Code. Because only 30% of the dividend is included in

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Taxpayer's federal taxable income, this Section allows Taxpayer to subtract only 30% of the dividend from its federal taxable income.

(Source: Added at 21 Ill. Reg. _____, effective _____)

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1) Heading of the Part: Motor Fuel Tax

2) Code Citation: 86 Ill. Adm. Code 500

3) Section Numbers:
 500.100 Amendment
 500.202 Amendment
 500.205 Amendment
 500.215 Amendment
 500.230 Amendment
 500.235 Amendment
 500.245 Amendment
 500.250 Amendment
 500.300 Amendment
 500.305 Amendment
 500.320 Amendment
 500.335 Amendment
 500.340 Amendment
 500.350 Amendment
 500.355 Amendment
 500.600 Amendment

4) Statutory Authority: 20 ILCS 2805/39619

5) A Complete Description of the Subjects and Issues Involved: This rulemaking is prompted by Public Acts 89-0426, 89-0468, and 90-0491. In addition, it deletes references to the Illinois Interstate Motor Fuel Use Tax provision. It makes other changes to comply with the International Fuel Tax Agreement.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic renewal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not create a State Mandate, nor does it modify any existing State mandates.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rule may submit them in writing by no later than 45 days after publication of this notice to:

Gina Roccaforte
 Associate Counsel

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Illinois Department of Revenue
 Legal Services Office
 101 West Jefferson
 Springfield, IL 62794
 (217) 782-6996

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: Receivers, distributors, suppliers and motor carriers subject to the Motor Fuel Tax Law.
- B) Revolting, bookkeeping or other procedures required for compliance: Minimal.
- C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the Proposed Amendment(s) begins on the next page:

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TITLE 86: REVENUE

SUBPART C: MOTOR FUEL USE TAX

CHAPTER I: DEPARTMENT OF REVENUE

PART 500

MOTOR FUEL TAX

SUBPART A: DEFINITIONS

Section

500.100

Definitions

500.101 Definition of Receiver (Repealed)

500.102 Definition of Loss (Repealed)

SUBPART B: MOTOR FUEL TAX

Section

500.200

Licenses

500.201 Basis and Rate of the Motor Fuel Tax

500.202 Basis and Rate of Tax Payable by Receivers

500.203 Monthly Returns

500.204 Report of Loss of Motor Fuel

500.205 Daily, Weekly, and Monthly Sales of Motor Fuel Made by Licensed Distributors and Suppliers

500.210 Documentation of Tax-free Sales of Fuel Made by Licensed Receivers

500.215 Vehicles of Distributors Transporting Petroleum Products (Repealed)

500.220 Other Vehicles (Repealed)

500.225 Motor Fuel Consumed by Distributors, Special Fuel Consumed by Suppliers and Fuel Consumed by Receivers

500.230 Claims for Refund - Invoices

500.235 Sales of Special Fuel - Variation in Usage

500.240 Sales of Special Fuel - Variation in Usage

500.245 Estimated Claims Not Acceptable

500.250 Claimants Owning Motor Vehicles (Repealed)

500.255 Detailed Answers

500.260 Revocation of License, Etc. - Notice - Hearing

500.265 Distributors' and Suppliers' Claims for Credit or Refund

500.270 Receivers' Claims for Credit or Refund

500.275 Sales of Motor Fuel Returned to Licensee for Credit

500.280 Sales of Motor Fuel to Municipal Corporations Owning and Operating Local Transportation Systems

500.285 Sales of Motor Fuel to Certain Privately-Owned Public Utilities

500.290 Owning and Operating Transportation Systems in Metropolitan Areas

500.295 When Purchaser's License Number With Department on Invoices Covering Sales of Special Fuel is Required (Repealed)

500.295 Cost of Collection - Determination (Repealed)

Section

500.300

Licenses

500.301 Special Motor Fuel Permits and Decals (Repealed)

500.302 Motor Carrier's Quarterly Report (Repealed)

500.305 Licenses and Decals

500.310 Display of License and Decals

500.315 Renewal of Decals and Licenses

500.320 Single Trip Permits

500.325 Licensees, Licensees and Lessees

500.330 Cancellation of Licenses

500.335 Quarterly Payment and Reporting

500.340 Credits and Refunds

500.345 Records Requirements

500.350 Revocation

500.355 Protest Procedures

500.360 Audits

SUBPART D: TIMELY MAILING TREATED AS TIMELY FILING AND PAYING

Section

500.400

General Information

500.405 Due Date That Falls on Saturday, Sunday or a Holiday

SUBPART E: GENERAL REQUIREMENTS APPLICABLE TO ALL LICENSES AND PERMITS ISSUED UNDER THE MOTOR FUEL TAX LAW

Section

500.500

Licenses and Permits Are Not Transferable

500.501 Blenders' Permits Are Not Transferable (Repealed)

500.505 Changes of Corporate Officers

SUBPART F: INCORPORATION BY REFERENCE OF RETAILERS' OCCUPATION TAX

Section

500.600

Incorporation of the Retailers' Occupation Tax Regulations by Reference

AUTHORITY: Implementing the Motor Fuel Tax Law [35 ILCS 505] and authorized by Section 39b2 of the Civil Administrative Code of Illinois [20 ILCS 2505/39b2].

SOURCE: Adopted July 3, 1931; amended at 2 Ill. Reg. 1, p. 97, effective December 31, 1978; amended at 3 Ill. Reg. 13, p. 98, effective March 25, 1979; amended at 4 Ill. Reg. 28, p. 568, effective June 1, 1980; codified at 8 Ill.

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Reg. 8612; amended at 10 Ill. Reg. 4540, effective February 28, 1986; amended at 11 Ill. Reg. 10295, effective May 18, 1987; emergency amendment at 13 Ill. Reg. 13271, effective August 7, 1989, for a maximum of 150 days; emergency expired January 4, 1990; amended at 14 Ill. Reg. 6826, effective April 19, 1990; amended at 15 Ill. Reg. 6305, effective April 16, 1991; amended at 15 Ill. Reg. 13538, effective August 30, 1991; reclassified at 18 Ill. Reg. 4451; amended at 19 Ill. Reg. 3008, effective February 28, 1995; amended at 19 Ill. Reg. 17195, effective December 18, 1995; amended at 20 Ill. Reg. 10168, effective July 16, 1996; amended at 21 Ill. Reg. _____, effective _____.

SUBPART A: DEFINITIONS

Section 500.100 Definitions

For purposes of this Part, the following definitions apply:

"Base Jurisdiction" means the jurisdiction where commercial motor vehicles are based for vehicle registration purposes and;

Where the operational control and operational records of the licensee's commercial motor vehicles are maintained or can be made available; and

Where some travel is accrued by commercial motor vehicles within the fleet.

"Bulk User" means any person, other than a licensed distributor or licensed supplier, who owns, operates, or controls special fuel bulk storage facilities into which any special fuel is delivered by the seller without the motor fuel tax being paid, and owns, operates or controls licensed highway vehicles which are powered by special fuel. (Section 1.15 of the Act)

"Blender" means any person who engages in the practice of blending. (Section 1.6 of the Act)

"Blending" means the mixing together by any process whatsoever, of any one or more products with other products, and regardless of the original character of the products so blended, provided the resultant product so obtained is suitable or practicable for use as a motor fuel. The term includes any process as may occur in the process known as refining by the original refiner of petroleum products, or in the blending of products known as lubricating oil in the production of lubricating oils and greases. (Section 1.5 of the Act)

"Commercial Motor Vehicle" means a motor vehicle used, designed, or maintained for the transportation of persons or property and either

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having 2 axes and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,793 kilograms, or having 3 or more axes regardless of weight, or that is used in combination, when the weight of the combination exceeds 26,000 pounds or 11,793 kilograms gross vehicle weight. This term does not include motor vehicles operated by the State of Illinois or the United States, recreational vehicles, school buses and commercial motor vehicles operated solely within Illinois for which all motor fuel is purchased within this State. (Section 1.16 of the Act)

"Diesel fuel" means any petroleum product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark. (Section 2(b) of the Act)

"Distributor" means a person who either produces, refines, blends, compounds or manufactures motor fuel in this State, or transports motor fuel into this State or receives motor fuel transported to him from without the State, or who is engaged in this State in the distribution of motor fuel primarily by tank car or tank truck, or both, and who operates an Illinois bulk plant where he has active bulk storage capacity of not less than 30,000 gallons for gasoline as defined in Section 5(A) of the Law. (Section 1.2 of the Act)

"EXPORT" means the transportation of reportable motor fuel or fuel by any vessel from Illinois, when such motor fuel or fuel comes to rest in a foreign country, or the transportation of reportable motor fuel or fuel by any vessel from Illinois, when such motor fuel or fuel comes to rest in a different state, by or on behalf of the seller, constitutes an export by the seller. Motor fuel or fuel delivered to a different state, by or on behalf of the purchaser, constitutes an export by the purchaser. The exporter of such motor fuel or fuel is subject to the reporting and licensing requirements of the origin and destination states.

"fuel" means all liquids defined as "Motor Fuel" and aviation fuels and kerosene, but excluding liquified petroleum gases. (Section 1.19 of the Act)

"IMPORT" means the transportation of reportable motor fuel or fuel by any vessel into Illinois, when such motor fuel or fuel comes to rest in Illinois, whether or not in the original container used to transport the fuel from a different state, by or on behalf of the seller, constitutes an import by the seller. Motor fuel or fuel delivered into Illinois from a different state, by or on behalf of the purchaser, constitutes an import by the purchaser. The importer of such motor fuel or fuel is subject to the reporting and licensing requirements of the origin and destination states.

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"International Fuel Tax Agreement" ("IFTA") means the multi-jurisdictional International Fuel Tax Agreement ratified by Congress, the provisions of which were imposed upon States pursuant to Public Law 102-240, which mandates that no State shall establish, maintain or enforce any law or regulation which has fuel use tax reporting requirements not in conformity with the International Fuel Tax Agreement.

"Jurisdiction" is a state of the United States, the District of Columbia, or a province or territory of Canada.

"Law" means the Motor Fuel Tax Law [35 ILCS 505].

"Leasing" means the giving of possession and control of a vehicle for valuable consideration for a specified period of time.

"Loss" means, for purposes related to claims for refund, the reduction of motor fuel resulting from spillage, spoilage, leakage, theft, destruction by fire or any other provable cause, but does not include loss resulting from evaporation and temperature changes.

"Motor fuel" means all volatile and inflammable liquids produced, blended or compounded for the purpose of, or which are suitable or adaptable for, the propulsion of motor vehicles and their accessories and things, "motor fuel" includes "special fuel." (Section 1.1 of the Act)

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court, or any city, town, county or other political subdivision in this State. When used in these rules to prescribe or impose a fine or imprisonment or both, the term as applied to partnerships and associations shall mean the partners or members thereof; as applied to limited liability companies, the term means managers, members, agents or employees of the limited liability company; and as applied to corporations, the term shall mean the officers, agents, or employees thereof who are responsible for any violation of the Act. (Section 1.11 of the Act)

"Receiver" means a person who either produces, refines, blends, compounds or manufactures fuel in this State, or transports fuel into this State or receives fuel transported to him from without the State or exports fuel out of this State, or who is engaged in the distribution of fuel primarily by tank car or tank truck, or both, and who operates an Illinois bulk plant where he has active fuel bulk storage capacity of not less than 30,000 gallons. (Section 1.20 of the Act)

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"Records" means all data maintained by the taxpayer, including data on paper, microfilm, microfiche or any type of machine-sensible data compilation.

"Recreational vehicle" means vehicles, such as motor homes, pickup trucks with attached campers, camping or travel trailers, van or truck campers, mini motor homes, or buses, used exclusively for personal pleasure by an individual. In order to qualify as a recreational vehicle, the vehicle shall not be used in connection with any business endeavor.

"Revocation" means the withdrawal of license and privileges.

"Special fuel" means all volatile and inflammable liquids capable of being used for the generation of power in an internal combustion engine except that it does not include gasoline as defined in Section 5(A) of the Law, or combustible gases as defined in Section 5(B) of the Law. "Special fuel" includes "diesel fuel." (Section 1.13 of the Act)

"Supplier" means any person other than a licensed distributor who transports special fuel into this State or receives special fuel transported to him from outside the State, and a person engaged in Illinois in the distribution of special fuel primarily by tank car or tank truck, or both. (Section 1.14 of the Act)

"Total distance" for purposes of the motor fuel use tax means all miles traveled during the reporting period by every commercial motor vehicle in the licensee's fleet, regardless of whether the miles are considered taxable or nontaxable by a jurisdiction.

"Weight" for purposes of the motor fuel use tax means the maximum weight of the loaded vehicle or combination of vehicles during the registration period.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

SUBPART B: MOTOR FUEL TAX

Section 500.202 Basis and Rate of Tax Payable by Receivers

- a) Except as hereinafter provided, on and after January 1, 1990 and prior to January 1, 1991, a tax of three-tenths of a cent per gallon is imposed upon the privilege of being a receiver in this State of fuel for sale or use.
- b) The tax shall be paid by the receiver in this State who first sells or uses fuel. In the case of a sale, the tax shall be stated as a

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separate item on the invoice.

- c) For the purpose of the tax imposed by this Section, being a receiver of "motor fuel" as defined by Section 1.1 of the Act, and aviation fuels, home heating oil and kerosene, but excluding liquefied petroleum gases, is subject to tax without regard to whether the fuel is intended to be used for operation of motor vehicles on the public highways and waters. However, no such tax shall be imposed upon the importation or receipt of aviation fuels and kerosene at airports with an annual passenger volume of 100,000 or less, or upon the receipt of 170,000 gallons per year beginning in 1991, located in a city of more than 1,000,000 inhabitants for sale to or use by holders of Certificates of Public Convenience and Necessity or Foreign Air Carrier Permits, issued by the United States Department of Transportation, and their air carrier affiliates, or upon the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those certificate of permit holders and used in their activities at an airport described above. In addition, no such tax shall be imposed upon the importation or receipt of diesel fuel by a rail carrier, registered pursuant to Section 18c-7201 of the Illinois Vehicle Code and used directly in railroad operations. In addition, no such tax shall be imposed when the sale is made with delivery to a purchaser outside the State or when the sale is made to a holder of a permit issued by the State of Illinois. On and after January 1, 1991, no such tax shall be imposed upon diesel fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. A specific notation thereof shall be made on the invoices or sales slips covering each sale. (Section 2a of the Law)

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500-205 Daily Gallonage Record

Distributors, receivers, bulk users and suppliers are required to maintain an accurate, actual, daily record of gallonage in storage facilities. Detailed records of all gallonage delivered into storage facilities must be made available to authorized Department employees and must contain the following information:

- date of delivery;
- invoice number;
- manifest/bill of lading number;
- location of receipt;
- seller's name and address;
- fuel type; and

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g) ~~pipeline batch number, if delivered by pipeline.~~

Carelessness in not keeping such records is frequently the means of building false inventories. The burden is also upon the distributor, supplier, bulk user or receiver to see to it that the valves on bulk plants function properly. This will have a tendency to eliminate substantial losses under various climatic conditions.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500-215 Documentation of Tax-free Sales of Fuel Made by Licensed Receivers

- Exemption for importation of aviation fuels and kerosene at qualified airports or by facilities owned or leased by qualified holders of Certificates of Public Convenience and Necessity of foreign air carrier permits (see Section 500-202 for a description of such persons). The seller shall make a specific notation on the invoice regarding the nature of the exemption. In addition, he shall retain the invoice date and number, name of carrier, bill of lading/manifest number, name of purchaser, Illinois origin, Illinois destination, and the exemption shall be made on the invoice.
- Exemption for importation of aviation fuels by qualified rail carriers (see Section 500-202 for a description of such persons). The seller shall make a specific notation on the invoice regarding the nature of the exemption. In addition, he shall retain the invoice date and number, name of carrier, bill of lading/manifest number, name of purchaser, Illinois origin, Illinois destination and the exemption shall be made on the invoice.
- Receivers making sales of fuel which are delivered to points outside of Illinois. A specific notation regarding the nature of the exemption shall be made on the invoice. In addition, the seller shall retain the invoice date and number, name of carrier, bill of lading/manifest number, name of purchaser, Illinois origin, Illinois destination, and the exemption shall be made on the invoice.
- Sales of fuel and invoiced gallons licensed receivers in Illinois. A specific notation shall be made on the invoice regarding the nature of the exemption. In addition, the seller shall retain the invoice date and number, name of carrier, bill of lading/manifest number, name of purchaser, Illinois origin, Illinois destination, purchaser's license number and invoiced gallons.
- Receivers making sales of diesel fuel consumed or used in the operation of ships, barges, or vessels, that are used primarily in or for the transportation of property in interstate commerce for hire on rivers bordering on this State, if the diesel fuel is delivered by a licensed receiver to the purchaser's barge, ship, or vessel while it is afloat upon the bordering river (see Section 500-202 for a

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description of such receivers). A specific notation shall be made on the invoice regarding the nature of the exemption. In addition, the seller shall retain the invoice date and number, name of carrier, bill of lading/manifest number, name of purchaser, Illinois origin, destination and invoiced gallons.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.230 Motor Fuel Consumed by Distributors, Special Fuel Consumed by Suppliers and Fuel Consumed by Receivers

- a) Distributors are required to pay the tax on all motor fuel (of the type they are required by the second paragraph of Section 5 of the Motor Fuel Tax Law to report to the Department when filing a return) used or consumed by them, whether for taxable or nontaxable purposes. If the motor fuel is consumed for statutory nontaxable purposes, a claim for credit or refund may thereafter be filed as provided by the Motor Fuel Tax Law and on the form prescribed by the Department for that purpose.
- b) Suppliers are required to pay the tax on all special fuel used or consumed by them, whether for taxable or nontaxable purposes. If the special fuel is consumed for statutory nontaxable purposes, a claim for credit or refund may thereafter be filed as provided by the Motor Fuel Tax Law and on the form prescribed by the Department for that purpose.

- c) Receivers are required to pay tax on all fuel, as defined by Section 1.19 of the Motor Fuel Tax Law, used or consumed by them.

d) In addition to the daily gallonage requirements of Section 500.209, distributors, suppliers, receivers, and bulk users are required to keep detailed records of all motor fuel and fuel withdrawn from storage facilities for highway and nonhighway use by the distributor, supplier, receiver and bulk user. This information must contain the following information:

- 1) Name of the fuel.
- 2) Number of gallons by fuel type.
- 3) Description of vehicle or equipment into which the fuel or motor fuel was delivered.
- 4) Unit number, license plate number, or vehicle identification number (VIN) of the vehicle or equipment.
- 5) Detailed description of the purpose for which the fuel or motor fuel was used.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.235 Claims for Refund - Invoices

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- a) Claims for the refund of Motor Fuel Tax imposed by Section 2 of the Law, by persons other than a distributor or supplier, shall be made to the Department of Revenue, duly verified by the affidavit of the claimant, upon forms prescribed by the Department. Except as provided in subsection par. (c) of this Section, the Department of Revenue will not approve claims for refund of Motor Fuel Tax unless such claims are supported by invoices or sales slips (commonly referred to as the top copy). Reproductions may be submitted in lieu of originals, provided they establish that the Department may require original invoices to verify purchases. Manifests or monthly statements will not be treated as invoices.
- b) All sales slips or invoices must contain the following information:
- 1) Date of delivery;
 - 2) Name and address of purchaser (which must be the name of the claimant);
 - 3) Name and address of seller;
 - 4) Number of gallons purchased and price per gallon;
 - 5) Illinois Motor Fuel Tax as separate item; and
 - 6) receipt of payment. (Only paid invoices are acceptable in connection with claims for refund.) Refunds will only be issued when payment of tax is exactly correlated to the invoice for which the claim is being filed.
- c) Claimants who purchase or sales slips in conjunction with claims based upon Motor Fuel invoices or sales slips, deducting the gallonage claimed, claimants must show total purchases, deducting the gallonage used upon public highways or waters, the difference being the net amount upon which the claim is based. Only invoices directly supporting the nontaxable use are required to be submitted. However, claimants must retain among their books and records documentation of all purchases, payments, bulk storage withdrawals and proof of usage for a period equivalent to that during which an assessment can be issued under the Law, from the date of issuance of the claim or refund. This information must be made available to Department employees upon request. Failure to keep such records may result in recovery of any claims paid.
- d) Where the claimant has lost invoice(s) through inadvertence or an act of God, the Department will permit the claimant to submit his affidavit, duly verified, and provide support of the claim, if the affidavit contains the same information as the invoice was required to contain, plus a statement of facts explaining the loss of the invoice and justifying the substitution of an affidavit for the invoice.
- e) Claims for full reimbursement of tax paid on motor fuel must be filed not later than one year after the date on which the tax was paid by the claimant. If, however, a claim for such reimbursement otherwise meeting the requirements of the Act is filed more than one year but less than 2 years after that date, the claimant shall be reimbursed at the rate of 80% of the amount to which he would have been entitled if

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- his claim had been timely filed.
- f) Claims accompanied by sales slips or invoices upon the face of which there is evidence of change of name, date or gallonage or other evidence of fraud, or which are illegible, will be disallowed in their entirety.
- g) Any person who purchases motor fuel in Illinois and uses that motor fuel in another state and that other state imposes a tax on the use of such motor fuel shall be reimbursed and repaid the amount of Illinois tax paid on the motor fuel used in such other state. Reimbursement and repayment shall be made by the Department upon receipt of adequate proof of taxes paid to another state and the amount of motor fuel used in that state. Evidence supporting the claim must include both a copy of the tax return filed with such other state and a copy of the sales tax receipt or a receipt acknowledging payment of the tax due on said tax receipt.
- b) *Claims for refunds for the motor fuel tax imposed by Section 2 of the Law approved by the Department shall be paid within 90 days after receipt of a complete and correct application for such a refund. If refunds are paid after the expiration of the 90 day period, the Department shall also pay from the Motor Fuel Tax Fund to the taxpayer interest at the rate and in the manner set by the Uniform Penalty and Interest Act [35 ILCS 505/15-1].*

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500-265 Distributors' and Suppliers' Claims for Credit or Refund

- a) Filing of Claims. Any distributor or supplier who shall have paid Motor Fuel Tax upon motor fuel used by such distributor or supplier for any purpose other than operating a motor vehicle upon the public highways or waters, may file a claim for credit or refund to recover the amount so paid. Such claims shall be filed on forms prescribed by the Department. Such claims shall be made to the Department, duly verified by the affidavit of the claimant (or by the claimant's legal representative if the claimant shall have died or become a person under legal disability). The claim shall state such facts relating to the purchase, importation, manufacture or production of the motor fuel by the claimant as the Department may deem necessary and shall state when the nontaxable use occurred and shall specify the purpose for which such motor fuel was used by the claimant, together with such other information as the Department may reasonably require. Claims for credit or refund shall be filed on or before the first day after the date of the claimant's death or the date of the claimant's becoming a person under legal disability. If a claimant dies or becomes a person under legal disability after the date of the claimant's death or the date of the claimant's becoming a person under legal disability, the claimant's legal representative may file a claim for credit or refund on behalf of the claimant. In case the distributor or supplier tax was paid by the claimant. In case the distributor or supplier tax was not paid by the claimant, the Department determines that the claimant is entitled to a refund, such refund shall be made only from such authorization as may be available for that purpose. If it appears unlikely that the

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- amount authorized would permit everyone having a claim allowed during the period covered by such authorization to elect to receive a cash refund, the Department shall provide for the payment of refunds in hardship cases as provided in 86 Ill. Adm. Code 130.1510.
- b) Issuance of Credit Memoranda - Use Thereof to Satisfy Prior Rights of Department. The Department may make such investigation of the correctness of the facts stated in such claims for credit or refund as it deems necessary. When the Department approves a claim for credit or refund the Department shall issue a refund or credit memorandum to the distributor or supplier who made the payment for which the refund or credit is being given or, in the event that such distributors or suppliers shall have died or become incompetent, to such distributors or suppliers' legal representatives, as such. The amount of such refund or credit shall be determined by the Department and shall be due or to become due under the Act from the distributor or supplier who made the payment for which credit has been given. This means that if there is an established or admitted unpaid Motor Fuel Tax liability on the part of the claimant, the amount of the credit or refund will be credited against the tax that is due. If the credit or refund is in an amount less than that of the unpaid liability, the credit or refund shall be applied against such liability. If the amount of the credit or refund exceeds that of the unpaid liability, after crediting an amount sufficient to liquidate or cancel out such unpaid liability, the Department will issue a new credit memorandum or refund representing the difference between that of the original credit or refund found to be due and that of the liability liquidated or paid as above. Such a new credit memorandum or refund shall be issued to the person entitled to receive delivery thereof, provided that no proceeding is pending against the claimant to establish an unpaid liability under the Act. If a proceeding to establish such an unpaid liability is pending, the credit memorandum or refund will be held by the Department until such proceeding is concluded; and if such proceeding results in a determination that Motor Fuel Tax is due from the claimant, the credit memorandum or refund will be applied by the Department, to the extent which may be necessary, in liquidation of such liability, and the balance of the credit memorandum or refund, if any (after cancellation of the credit memorandum or refund applied in liquidation of said liability), will be issued in the form of a new credit memorandum or refund and delivered to the person entitled to receive delivery thereof.
- c) Disposition of Credit Memoranda by Holder Thereof
- 1) Credit Memoranda. Credit memoranda may be assigned or transferred only after a request for that purpose is filed with the Department upon forms prescribed and furnished by it, and subject to the following conditions:
 - A) That the assignment is made to a person who is licensed as a distributor of motor fuel or a supplier of special fuel under the law;

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- B) that there is no proceeding pending to establish an unpaid Motor Fuel Tax liability against the assignor; and
- C) that there is no established or admitted unpaid Motor Fuel Tax liability against the assignor; provided, that if the amount of the credit memorandum must first be applied, in whole or in part, against an unpaid liability of the claimant-assignor, notice to this effect will be given the claimant-assignor by the Department. If any balance is due such claimant-assignor, after application of the credit memorandum in the manner and to the purposes aforesaid, such balance may be assigned upon receipt by the Department of instructions to that effect. If there is no unpaid liability and no proceedings pending to determine a liability as aforesaid, and if the assignee is a licensed distributor of motor fuel, the request for leave to assign unpaid Motor Fuel Tax credits shall be issued to the assignee in the amount shown on the cancelled memorandum. However, before a credit memorandum is issued to the assignee, the amount of such credit will be applied, to the extent that may be necessary, in liquidation of any unpaid Motor Fuel Tax liability of the assignee, and a credit memorandum for the balance, if any, will be issued to the assignee, provided that there is no proceeding pending against the assignee to establish an unpaid Motor Fuel Tax liability against him. If a proceeding to establish such an unpaid liability is pending, the credit memorandum will be held by the Department until such proceeding is concluded; and if such proceeding results in a determination that Motor Fuel Tax is due from the assignee, the credit will be applied against that tax liability. If no such determination is necessary in liquidation of such liability, and the balance of the credit, if any (after cancellation of the credit memorandum applied in liquidation of said liability), will be issued in the form of a new credit memorandum and delivered to the person entitled to receive delivery thereof.

- 2) Submission of Credit Memoranda With Monthly Returns. Credit memoranda, in the hands either of the original claimant or of his assignee, may be submitted to the Department, along with monthly tax returns, in payment of Motor Fuel Tax due from the holder of such credit memoranda. If, after applying any such credit memorandum against the amount of tax shown to be due by the tax return with which the credit memorandum is submitted, the Department finds that there is a balance of the credit memorandum remaining, it shall issue a credit memorandum to the claimant. If the Department will cancel the credit memorandum that has been submitted and will issue and deliver to such distributor

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- or supplier a new credit memorandum for such balance. This process will be followed until the credit, to which such distributor or supplier is entitled, is exhausted. However, in this credit memorandum, which is issued as provided in this paragraph, no allowance of credit due the distributor or supplier after applying the amount of the credit memorandum to the payment of current taxes is subject to the rights of the Department to the same extent that such provisions have precedence when a credit memorandum is first issued (see subsection paragraph (b) of this Section) or when leave to assign a credit memorandum is requested (see subsection paragraph (c)(1) of this Section).
- d) Refunds to Distributors and Suppliers. If any distributor or supplier ceases to be licensed as a distributor or supplier while still holding an unused credit memorandum, such distributor or supplier may, at his election (instead of assigning the credit memorandum to another licensed distributor or supplier under the Act), surrender such unused credit memorandum to the Department and receive a refund in lieu thereof.
- e) Claims filed under this Section for overpayment of the Motor Fuel Tax imposed by Section 2 of the Law shall be made in the manner specified in the Uniform Penalty and Interest Act (35 ILCS 505/13). Claims made under this Section that are based upon motor fuel used for any purpose other than operating a motor vehicle upon the public highways or waters shall be paid within 90 days after receipt of a complete and correct application for credit. If credits based upon motor fuel used for any purpose other than operating a motor vehicle upon the public highways or waters are issued after expiration of the 90 day period, the Department shall include interest at the rate and in the manner set by the Uniform Penalty and Interest Act. (35 ILCS 505)

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.270 Receivers' Claims for Credit

Any receiver who has paid the tax imposed by Section 2a of the Motor Fuel Tax Law (either directly to the Department or to another licensed receiver) upon fuel exported or sold under the exemptions provided in Section 2a may file a claim for credit to recover the amount so paid. Such claims shall be made to the Department, duly verified by affidavit--of--the claimant (or by the claimant's legal representative, if the claimant has died or become a person under legal disability), upon forms prescribed by the Department. The claim shall state such facts relating to the purchase, importation, manufacture, production, export, or sale of the fuel by the claimant as the Department may deem necessary together with such other information as the Department may

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reasonably require. Claims must be filed not later than one year after the date on which the tax was paid by the claimant. The Department may make such investigation of the correctness of the facts stated in such claims as it deems necessary. When the Department approves a claim, the Department shall issue a credit memorandum to the receiver who made the payment for which the credit is being given or, if the receiver has died or become incompetent, to such receiver's legal representative. The amount of such credit memorandum shall be credited against any tax due or to become due under this Act from the receiver who made the payment for which credit has been given. The Department may, in its discretion, require the claimant to pay the overpayment of the tax imposed by Section 2a of the Tax Act approved by the Department shall bear interest at the rate and in the manner set by the Uniform Penalty and Interest Act.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

SUBPART C: MOTOR FUEL USE TAX

Section 500.300 Licenses

- a) Except as provided in Section 500.320, no motor carrier shall operate a motor vehicle, as defined in Section 500.100, in Illinois without first obtaining a motor fuel use tax license and decals issued by the Department under either the IPTA--fuel--license--and--decals--issued--under--the--international--fuel--tax--agreement or an IPTA--motor--fuel--use--tax--license--and--decals--issued--under--the--international--fuel--tax--agreement by any member jurisdiction.
- b) Illinois IPTA credentials may be obtained from the Department by Illinois based carriers who operate one or more commercial motor vehicles in at least one other IPTA-member jurisdiction. Illinois based carriers are those carriers whose operational control and records for their vehicles are maintained or can be made available in Illinois and whose commercial motor vehicles accrue miles in Illinois. Carriers who are based in a non-IPTA state will not be issued IPTA credentials by the Department, unless issuance is granted for fleet consolidation purposes.
- c) Illinois registered motor vehicles must consolidate all vehicles in its fleet. Therefore, the IPTA must consolidate commercial motor vehicles based in other IPTA jurisdictions and non-IPTA jurisdictions, and may include motor vehicles which travel exclusively intrastate, regardless of jurisdiction.
- d) Motor carriers operating commercial motor vehicles that are based in a state that has not joined IPTA, and who wish to operate in Illinois, may apply for an Illinois IPTA Interstate-Motor-Fuel-Use-Tax license and decals. If such carriers do not wish to obtain these credentials, they must obtain single trip permits before operating

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- d) Motor vehicles operated by the State of Illinois or the United States government, recreational vehicles and school buses are not required to register as provided in subsection (a). However, if these carriers will travel in other jurisdictions, they may wish to obtain a motor fuel use tax license and decals under the provisions of the International Fuel Tax Agreement. This will consider the carrier, when in an IPTA jurisdiction that does not consider the proper jurisdiction, to obtain the proper jurisdiction to obtain the proper jurisdiction, single trip permits). If the carrier is travelling in non-IPTA, single trip permits) and is not considered to be exempt from fuel tax reporting requirements, must purchase single trip permits or otherwise obtain the proper motor fuel use tax credentials required by the laws of that particular jurisdiction.
- e) In order to establish and maintain the concept of one license and administrative base jurisdiction for each licensee, the Department shall issue only one license to each person.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.305 Licenses and Decals

- a) Applications for motor fuel use tax licenses and decals shall be made under oath and on forms provided by the Department. Information provided to the Department shall include:
- 1) a carrier's Federal Employer Identification Number (in the case of a sole proprietorship, the Social Security number of the owner);
 - 2) owner, partnership or corporate name;
 - 3) name, title and social security number of all officers, partners or owners;
 - 4) legal business name (if different from subsection (a)(2));
 - 5) physical location of the business;
 - 6) mailing address of the business;
 - 7) signature of the applicant. All applications must be signed by an officer, partner or owner. If the carrier is seeking a license, or an employee who has the control of the tax reporting, the carrier is filing returns and making payment of the tax. Reporting, the carrier or other persons responsible for reporting a licensee's tax obligations under a power of attorney are permitted to sign an application on behalf of any applicant provided that a properly executed power of attorney accompanies each application;
 - 8) type of fuel(s) used by applicant;
 - 9) number of decals required by the licensee;
 - 10) decal fee;
 - 11) for IPTA applicants, a statement of the existence of bulk

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storage facilities in all member jurisdictions; and

12) a statement that the applicant agrees to comply with reporting, payment, recordkeeping, and license display requirements, and all applicable regulations. IPTA applicants must agree that the base jurisdiction may withhold any refunds due if the applicant is delinquent on payment of motor fuel use taxes due any member jurisdiction or taxes owed to the Department; and

13) Such other information as the Department deems necessary.

- b) Bonds are not required for first-time applicants. However, bond may be required for just cause, as determined by the Department. Bonds may be required when a licensee fails to file timely reports on fuel use, or when a licensee fails to file timely reports on fuel use, or when a licensee fails to file timely reports on fuel use, or when an audit indicates problems severe enough that, in the Director's discretion, a bond is required to protect the interests of the Department. If a bond is required, it shall be equal to at least in the amount of \$1000, or twice the estimated average quarterly tax liability for the reporting period, whichever is greater. The average tax liability upon which the bond is based shall be determined by taking into consideration the amount of motor fuel extracted to be used in all jurisdictions by such applicant. The penalty fixed by the Department shall be such as, in its opinion, will protect the State of Illinois against failure to pay the amount hereinafter provided on motor fuel used.

- c) Neither a license or decal shall be issued to any person who fails to file a return, or to pay the tax, penalty or interest, as required by the Law, or as required by any other Act administered by the Department [20 ILCS 2505/39b47].

- d) Persons required to file bonds with the Department must make payments by certified check.

- e) Upon receipt of a complete application for a license and decals, including payment for decals, any required reinstatement fees and provision of an approved bond, if applicable, the Department will issue each applicant one license. In addition to the license, a minimum of two decals per commercial motor vehicle will also be issued. A license and decals will only be sent to the licensee. A license and decals are valid for a period of one calendar year.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.320 Single Trip Permits

- a) If a commercial motor vehicle does not have motor fuel use tax credentials under either IPTA or the Illinois-Interstate-Motor-Fuel Use-Tax-Program, a single trip permit to operate in Illinois must be

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obtained. A single trip permit may be obtained upon proper application from the Department.

b) A single trip permit authorizes operation of a commercial motor vehicle for a single trip through the State of Illinois, or from a point on the border of this State to the State of Illinois and return to the border.

- c) The fee for each single trip permit shall be \$20 and such single trip permit is valid for a period of seventy-two hours. This fee is in lieu of the tax and all reports required by Section 13a.3 of the Law, as well as the registration, decal display and furnishing of bond required by Section 13a.4 of the Law.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.335 Quarterly Payment and Reporting

- a) Every person holding a valid unrevoked motor fuel use tax license issued by the Department under either the Illinois-Interstate-Motor Fuel-Use-Tax-Program or under the provisions of the IPTA shall file a quarterly motor fuel use tax return, along with full payment of taxes, with the Department. Returns are due, even if operations were conducted during the reporting period. The due date for the return and full payment of taxes is the last day of the month immediately following the close of the quarter for which the return is being filed. Returns and full payment of taxes are due on or before the following dates:

Reporting Quarter	Due Date
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

If the due date is a Saturday, Sunday, or legal holiday, the next business day is considered the due date. Each motor fuel use tax return should be mailed in a separate envelope.

- b) The taxable event is the consumption of motor fuel, as defined in Section 500.100 of this Part, used to operate commercial motor vehicles. For tax payment and reporting purposes, all motor fuels placed in supply tanks of commercial motor vehicles, and all miles travelled, are taxable. Carriers must utilize the procedures in Section 500.235 for refunds for off-road or non-highway use.
- c) IPTA licensees: The IPTA provides that member jurisdictions may determine what type of motor fuel and miles travelled are exempt from tax, and are therefore not reportable. Carriers

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should contact member jurisdictions to determine what types of fuel and miles travelled are exempt from taxation. For IFTA carriers, claims for refunds for fuel used for any purpose other than propelling a commercial motor vehicle upon public highways must be filed with the respective jurisdiction.

- d) The quarterly total shall be the sum of the total number of miles travelled, as well as total miles travelled in each jurisdiction and in Illinois during the previous calendar quarter; the total number of gallons and type of reportable motor fuel consumed on the highways of all jurisdictions, as well as in each jurisdiction and in Illinois, and the total number of gallons and types of tax paid fuel purchased within each jurisdiction during the previous calendar quarter; and the total (net) of tax due the base jurisdiction on behalf of all jurisdictions. Licensees shall report all required information, and may not include miles operated and gallons of fuel purchased that were unavailable during any prior quarters. If a licensee does not include all required information, and that information is subsequently available, he must file an amended return, which will include penalty and interest.
- e) Paid and distance must be reported in gallons and miles. The conversion rates are:

One liter	= 0.2642 gallons
One gallon	= 3.785 liters
One mile	= 1.6093 kilometers
One kilometer	= 0.62137 mile

- f) For carriers registered under the IFTA which consume compressed natural gas and other fuels that cannot be measured in gallons, the fuels must be converted to gallons using the conversion factor used by the jurisdiction in which the fuel was consumed. The conversion rate for compressed natural gas is 14.7 pounds per gallon, which for 1 gallon or 1.24 liters of compressed natural gas for 1 gallon.
- g) In order for a licensee to obtain credit for tax-paid retail purchases, a receipt or invoice, a credit card receipt, or microfilm/microfiche of the receipt or invoice must be retained by the licensee showing evidence of such purchases and tax having been paid by the licensee directly to the applicable jurisdiction or at the pump. The receipt must contain the following information:

- 1) date of purchase;
- 2) seller's name and address;
- 3) number of gallons purchased;
- 4) fuel type;
- 5) price per gallon or total amount of sale;
- 6) unit numbers; and
- 7) purchaser's name (in the case of a lessee/lessor agreement, receipts will be accepted in either name, provided a legal

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connection can be made to reporting party).

- h) In the case of withdrawals from licensee-owned, tax-paid bulk storage, credit may be obtained only if the following records are maintained:
- 1) meter withdrawal;
 - 2) number of gallons;
 - 3) fuel type;
 - 4) unit number (upon application by a licensee, the Department may waive the requirement of unit numbers for fuel withdrawn from the licensee's own bulk storage and placed in its commercial motor vehicles. The licensee must show that adequate records are maintained to distinguish fuel placed in commercial vs. non-commercial motor vehicles for all member jurisdictions); and
 - 5) purchase and inventory records to substantiate that tax was paid on all bulk purchases.
- i) Carriers registered under the IFTA must pay all taxes due to all member jurisdictions with one check, to be made payable to the Department. Payment by certified check is required of licensees who are required to file a return.
- j) Returns shall be filed on forms provided by the Department. However, with written approval from the Department, a licensee may submit a computer-generated tax return instead of the Department-supplied return. Computer-generated tax returns will be approved only if they contain all the same information, are in the same format and are on the same size paper, as the Department's return.
- k) If a licensee uses a reporting service for his motor fuel use taxes, a power of attorney must be placed on file annually at the time of renewal. Filing a power of attorney does not relieve the licensee of the legal obligations associated with the license. The licensee is responsible for the payment of taxes as well as all acts and omissions of the reporting service. A power of attorney is on file, the Illinois Department of Revenue will mail the quarterly tax return to the reporting service. Decal and renewal applications, however, will always be mailed directly to the licensee.
- l) Reports not filed or full payment of taxes not made by the due date shall be considered late and any taxes due considered delinquent. The licensee shall be assessed a penalty of \$50 or 10 percent of the delinquent taxes, whichever is greater, for failure to file a report, for filing a late report, or for underpayment of taxes due. Tax shall bear interest at the rate of 1 percent per month or fraction of month until paid. For reasonable cause shown, the Department may waive a penalty. For IFTA licensees, the Department may waive interest for another jurisdiction only with that jurisdiction's approval.

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(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.340 Credits and Refunds

- a) A licensee shall receive full credit or refund for tax-paid fuel used outside the jurisdiction where the fuel was purchased. For Illinois interstate program licensees, as to each gallon of motor-fuel purchased in Illinois by such motor-carrier during the previous calendar quarter in excess of the number of gallons of motor-fuel used by such motor-carrier on the highways of Illinois during such previous calendar quarter, the licensee may take a credit for the current calendar quarter's tax liability. For IFTA licensees, a licensee may apply the overpayment generated in one jurisdiction to the taxes owed to another jurisdiction.
- b) Credits shall be carried over to offset liabilities of the licensee in future reporting periods until the credit is fully offset or until eight calendar quarters shall have passed since the end of the calendar quarter in which the credit accrued. Credits shall be carried over until the credit has not been offset to liabilities in 8 quarters. Credits and refunds will be made only when all tax liability, including audit assessments, has been paid to the Department or when all motor fuel use tax liabilities, including audit assessments, penalty and interest owed to other jurisdictions, has been satisfied.
- d) Refunds will not be made for amounts under \$1. Amounts less than \$25 will be credited, and sums of \$25 and over will be automatically refunded.
- e) Refunds determined to be properly due shall be paid within 90 days after receipt of a request by the licensee. If not so paid, interest shall accrue at the rate of 1 percent per month or fraction thereof until the refund is paid.
- f) No credit or refund shall be allowed or made based upon:
- 1) a return filed more than ~~60~~ 90 days after the due date of return, or the date the return is filed, whichever is later; or
 - 2) overpayments for which records are no longer required to be kept. A request for a refund shall extend the records requirement date until the refund is made or denied.
- g) While not required to be attached to the return, proof of tax-paid purchases, as specified in Section 500.335(g) or (h), must be retained by the licensee.
- h) For carriers registered under the IFTA, credits or refunds for tax paid on tax-exempt fuels must be made directly with the participating jurisdiction.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.350 Revocation

- a) The Department may revoke the motor fuel use tax license of a carrier registered under either the Illinois-Interstate or IFTA provisions for violation of any provision of the Motor-Fuel Use Tax Act, or any rules promulgated thereunder. Cause for revocation include, but are not limited to, failure to file a quarterly tax return or to remit all taxes due, or improper use of decals.
- b) The Department shall send the licensee a written notice of its decision to revoke a license. Unless the licensee timely protests the Department's determination as provided for in Section 500.355, the revocation is final.
- c) A licensee whose license has been revoked may have that license reinstated if the condition which caused revocation is remedied. The carrier must pay a \$100 reinstatement fee and file a new application for a license and decals. Carriers whose license has been revoked and then reinstated will be required to post a bond in accordance with the provisions of Section 500.305.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 500.355 Protest Procedures

- a) A licensee or applicant may protest an action or audit finding made by the Department by submitting a written request for a hearing within 30 days after notification of the notice of the original action or finding. If the hearing is not requested within 30 days, the Department's action becomes final.
- b) In the case of an audit, if the licensee is in disagreement with the original audit finding of the Department, it may request any or every jurisdiction to audit the licensee's records. Each jurisdiction to which a request is made may elect to accept or deny jurisdiction. Each jurisdiction electing to audit the licensee's records will audit and report findings to the Department's office of operations. The licensee shall make records available at the jurisdiction of the jurisdiction or at a place designated by the jurisdiction or pay reasonable per diem and travel expenses associated with conducting an audit at the licensee's place of business.
- c) Hearings that have been timely requested will be scheduled by the Department. The Department will provide written notice of the date, time, and place of the hearing at least 20 days prior to the hearing date.
- d) Hearings shall be conducted in accordance with the provisions of the Illinois Administrative Procedure Act [5 ILCS 100] and regulations promulgated thereunder found at 86 Ill. Adm. Code 200.101 through

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- A) Types of small businesses, small municipalities and not for profit corporations affected: Small business may be affected by this rulemaking.
- B) Reporting, bookkeeping or other procedures required for compliance:
No additional reporting procedures are required.
- C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the Proposed Amendment(s) begins on the next page:

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TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 130

RETAILERS' OCCUPATION TAX

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130.105	Occasional Sales
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SUBPART C: CERTAIN STATUTORY EXEMPTIONS

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130.321	Graphic Arts Machinery and Equipment Exemption
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130.330	Manufacturer's Purchase Credit
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SUBPART D: GROSS RECEIPTS

Section	Meaning of Gross Receipts
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 130.415 Transportation and Delivery Charges
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 130.435 State and Local Taxes Other Than Retailers' Occupation Tax
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 130.450 Interest on Motor Vehicle Leasing and Trade-In Allowances
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SUBPART E: RETURNS

Section
 130.501 Monthly Tax Returns--When Due--Contents
 130.502 Quarterly Tax Returns
 130.505 Returns and How to Prepare
 130.510 Annual Tax Returns
 130.515 First Return
 130.520 Final Returns When Business is Discontinued
 130.525 Returns Covering More Than One Location
 130.530 Registration--Separate Returns for Separately Registered Locations
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- 1) This exemption exempts from tax only machinery and equipment used in manufacturing or assembling tangible personal property for sale or lease. Thus, the use of machinery and equipment in any industrial, commercial or business activity which may be distinguished from manufacturing or assembling will not be an exempt use and such machinery and equipment will be subject to tax.
- 2) The manufacturing process is the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by procedures commonly regarded as manufacturing, processing, fabricating or refining. Changes in form, use or name of the article must result from the process in question and be substantial and significant.
- 3) The process or activity must be commonly regarded as manufacturing. To be so regarded, it must be thought of as manufacturing by the general public. Generally, the scale, scope and character of a process or operation will be considered to determine if such process or operation is commonly regarded as manufacturing. Manufacturing includes such activities as processing, fabricating and refining.
- 4) Manufacturing does not include extractive industrial activities. Mining, logging, and drilling for oil, gas, and water neither produce articles of tangible personal property nor effect any significant or substantial change in the use of the materials or materials of which they operate. The extractive materials of mining do not constitute manufacturing. However, the activities subsequent to quarrying such as crushing, washing, sizing and blending will constitute manufacturing, and machinery and equipment used primarily therefor will qualify for the exemption, if the process results in the assembling of an article of tangible personal property with a different form, use or name than the material extracted.
- 5) The printing process is not commonly regarded as manufacturing and court decisions have found that printing is not manufacturing. Therefore, machinery and equipment used in any printing application will not qualify for exemption. This includes graphic arts, newspapers, books, etc. as well as other industrial or commercial applications. However, see Section 130.325 for the Graphic Arts Machinery Exemption. Printing or comparable activities, including commercial fishing, bookkeeping, production of seedlings or seed corn, and the development of hybrid seeds, plants, or shoots, are not manufacturing or assembling and, accordingly, machinery and equipment used in such activities is subject to tax. (However, see Section 130.305 for the Farm

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- 7) Machinery and Equipment Exemption.)
The preparation of food and beverages by restaurants, food service establishments, and other retailers is not manufacturing. Assembling means the production of any article of tangible personal property, whether such article is a finished product or an article for use in the process of manufacturing or assembling a different article of tangible personal property, by the combination of existing materials in a manner commonly regarded as assembling which results in a material of a different form, use or name.
- 9) Effective September 1, 1988 manufacturing includes photoprocessing if the products of photoprocessing are sold. Machinery and equipment which would qualify for exemption but are not eligible to, developers, dryers, enlargers, mounting machines, color film processing equipment, developing machines, disc film opening and spindling devices, film loaders, makers, photographic paper exposure equipment, photographic paper, developing machines, densitometers, print inspection devices, photo print/negative out assembly stations, film sleeve insertion machines, negative image producers, film coating equipment, photo transparency mounters, processor rack sanitizers, photo print embossers, photo print mounting presses, graphic slide generators, chemical mixing equipment and paper exposure positioning and holding devices, etc. Cameras and equipment used to take pictures or expose film are not eligible as the photoprocessing begins after the film is exposed. Retail/net price calculation equipment and chemical reclamation equipment are not considered to be manufacturing machinery and equipment.
- c) Machinery and equipment used in the manufacture of machinery and equipment.
 - 1) The law exempts only the purchase and use of "machinery" and "equipment" used in manufacturing or assembling. Accordingly, no other type or kind of tangible personal property will qualify for the exemption, even though it may be used primarily in the manufacturing or assembling of tangible personal property for sale or lease.
 - 2) Machinery means major mechanical machines or major components of such machines contributing to a manufacturing or assembling process: including, machinery and equipment used in the general maintenance or repair of such exempt machinery and equipment or for in-house manufacture of exempt machinery and equipment.
 - 3) Equipment includes any independent device or tool separate from any machinery but essential to an integrated manufacturing or assembling process: including computers used primarily in operating machinery and equipment (TOD/COO/Computer-assisted design, computer-assisted manufacturing, etc.) and any subunit or assembly comprising a component of any machinery, or auxiliary, adjunct, or attachment, parts of machinery, such as tools, dies, jigs, fixtures, patterns and molds, and any parts

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which require periodic replacement in the course of normal operation. The exemption does not include hand tools, supplies (such as rags, sweeping or cleaning compounds), coolants, lubricants, adhesives, or solvents, items of personal apparel (such as gloves, shoes, glasses, goggles, coveralls, aprons, masks, mask air filters, belts, harnesses, or holsters), coal, fuel oil, electricity, natural gas, artificial gas, steam, refrigerants or water. (Section 2-45 of the Act)

- 4) The exemption includes the sale of materials to a purchaser who manufactures such materials into an exempted type of machinery or equipment. The exemption does not include the purchase of materials for the manufacturing of tangible personal property. However, such manufacturer must maintain adequate records clearly demonstrating the incorporation of such materials into exempt machinery and equipment.

- 5) Machinery and equipment does not include foundations for, or special purpose buildings to house or support, machinery and equipment.

d) Primary Use

- 1) The law requires that machinery and equipment be used primarily in manufacturing or assembling. Therefore, machinery which is used primarily in an exempt process and partially in a nonexempt process would qualify for exemption. However, the purchaser must be able to show adequate records that the machinery and equipment is used over 50 percent in an exempt manner in order to claim the deduction.

- 2) The fact that particular machinery or equipment may be considered essential to the conduct of the business of manufacturing or assembling because its use is required by law or practical necessity does not, of itself, mean that machinery or equipment is used primarily in manufacturing or assembling.

- 3) By way of illustration and not limitation, the following activities will generally be considered to constitute an exempt use:

- A) The use of machinery or equipment to effect a direct and immediate physical change upon the tangible personal property to be sold;
- B) The use of machinery or equipment to guide or measure a direct and immediate physical change upon the tangible personal property to be sold, provided such function is an integral and essential part of tuning, verifying, or aligning the component parts of such property;
- C) The use of machinery or equipment to inspect, test or measure the tangible personal property to be sold where such function is an integral part of the production flow;
- D) The use of machinery and equipment to convey, handle, or transport the tangible personal property to be sold within

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production stations on the production line or directly between such production stations or buildings within the same plant;

- E) The use of machinery or equipment to place the tangible personal property to be sold into the container, package, or wrapping in which such property is normally sold where such machinery or equipment is used as a part of an integrated manufacturing process to the ultimate consumer thereof.

- 4) By way of illustration and not limitation, the following activities will generally not be considered to be manufacturing:

- A) The use of machinery or equipment in the construction, reconstruction, alteration, remodeling, servicing, repairing, maintenance or improvement of real estate;
- B) The use of machinery or equipment in the research and development of new products or production techniques, machinery, or equipment;
- C) The use of machinery or equipment to store, convey, handle or transport materials or parts or sub-assemblies prior to their entrance into the production cycle;

- D) The use of machinery or equipment to store, convey, handle or transport finished articles of tangible personal property to be sold or leased after completion of the production cycle;

- E) The use of machinery or equipment to transport work in process, or semifinished goods, between plants;

- F) The use of machinery or equipment in managerial, clerical, or bookkeeping activities, including the disposal of waste, scrap, residue, inventory control, production scheduling, work routing, purchasing, receiving, accounting, fiscal management, general communications, plant security, sales, marketing, product exhibition and promotion, or personnel recruitment, selection or training;

- G) The use of machinery or equipment to prevent or fight fires or to protect employees, such as protective equipment face masks, helmets, gloves, coveralls, and goggles or for safety, accident protection or first aid even though such machinery or equipment may be required by law;

- H) The use of machinery or equipment for general ventilation, heating, cooling, climate control or general illumination, not required by the manufacturing process;

- I) The use of machinery or equipment in the preparation of food and beverages for sale, or in the operation of a bar, ice cream parlor, restaurant, vending machines, food service establishments, etc.

- 5) An item of machinery or equipment which initially is used primarily in manufacturing or assembling and having been so used for less than one-half of the useful life is converted to

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primarily nonexempt uses will become subject to tax at the time of the conversion. Such tax will be collected on such portion of the cost of the property or equipment as was excluded from tax at the time the sale or purchase was made.

e) Product Use

1) The statute requires that the product produced as a result of the manufacturing or assembling process be tangible personal property for sale or lease. Accordingly, a manufacturer or assembler who uses any significant portion of the output of his machinery or equipment, either for internal consumption or any other nonexempt use, or a lessor who leases otherwise exempt machinery and equipment to such a manufacturer or assembler, will not be eligible to claim the exemption on that machinery and equipment. No apportionment of production capacity between output for sale or lease and output for self-use will be permitted and no partial exemption for any item of machinery and equipment will be allowed.

2) The production of articles of tangible personal property for sale, a portion of which is diverted by the manufacturer thereof to use as sales samples or as the subjects of quality control testing which renders the articles unfit for sale, will nevertheless be deemed to be production for sale, provided such diversion represents only a small portion of the production of the articles of tangible personal property or of the sale of those articles.

3) Machinery and equipment used in the performance of a service, such as dry cleaning, is not used in the production of tangible personal property for sale and is thus taxable. However, a manufacturer or assembler who uses machinery and equipment to produce goods for sale or lease by himself or another, or to perform assembly or fabricating work for a customer, who retains the manufacturer's assembly unit for that service, shall not be liable for the tax on the tangible personal property, although the goods produced either for himself or another are destined for sale or lease, rather than for use and consumption.

f) Sales to Lessors of Manufacturers

1) For this exemption to apply, the purchaser need not himself employ the exempt machinery or equipment in manufacturing. If the purchaser leases that machinery or equipment to a lessee-manufacturer who uses it in an exempt manner, the sale to the purchaser-lessee will be exempt from tax. A supplier may exclude such sales from his taxable gross receipts provided the purchaser-lessee provides to him a properly completed exemption certificate and the information contained herein would support an exemption if the sale were made directly to the lessee-manufacturer.

2) Should a purchaser-lessee subsequently lease the machinery or equipment to a lessee who does not use it in a manner that would

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qualify directly for the exemption, the purchaser-lessee will become liable for the tax from which he was previously exempted.

g) Exemption Certificates

1) The user of such machinery or equipment and tools shall prepare a certificate of exemption for each transaction stating facts establishing the exemption. The certificate shall be submitted to the retailer. The certificate shall be retained by the Department for inspection or audit. The Department shall prescribe the form of the certificate. If the user has an active registration or resale number, that number may be given in lieu of the prescribed certificate.

2) If a manufacturer or lessor purchases at retail from a vendor who is not registered to collect Illinois Use Tax, the purchaser must prepare and retain in his files, the completed exemption certificate. The exemption certificate shall be available to the Department for inspection or audit.

3) A vendor who makes sales of machinery or equipment to a manufacturer or lessor of a manufacturer must collect Use Tax, unless the manufacturer or lessor has a certificate of exemption. The purchaser, certified by the Department, shall submit the certificate to the vendor as set out above. The Summary Schedule, RP-586, must be submitted in lieu of taxes at the time the taxes are due.

h) Opinions and Rulings

Informal ruling and opinion letters issued by the Department regarding the coverage and applicability of this exemption to specific devices will be maintained by the Department in Springfield. They will be available for public inspection and may be copied or reproduced at taxpayer's expense. Trade secrets or other confidential information in such letters will be deleted prior to release to public access files.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Cancellation, Revocation or Suspension of Licenses or Permits
- 2) Code Citation: 92 Ill. Adm. Code 1040
- 3)

<u>Section Numbers:</u>	<u>Proposed Action</u>
1040.25	Amendment
1040.29	New Section
1040.36	New Section
1040.37	New Section
1040.38	Amendment
1040.40	Amendment
1040.41	Amendment
1040.52	New Section
1040.60	Amendment

4) Statutory Authority: Section 2-104(b) of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code [625 ILCS 5/2-104(b)] and the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/Ch. 6].

5) A Complete Description of the Subjects and Issues Involved: This rulemaking is being proposed to incorporate recently enacted legislation concerning the Graduated Driver's Licensing program (PA 90-369).

6) Will this proposed rulemaking replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rulemaking contain incorporations by reference? No

9) Are there any other amendments pending on this part? No

10) Statement of Statewide Policy Objective: This rulemaking will have no effect on units of local government.

11) Time, Place and manner in which interested persons may comment on this proposed rulemaking: The Secretary of State will fully consider all comments received within 45 days after the date this notice is published. All comments must be in writing and should be sent to:

Mark A. Novak
 Assistant Counsel to the Secretary
 2701 S. Dirksen Parkway
 Springfield, IL 62723
 217/762-3336

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12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not-for-profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: July 1997

The full text of the proposed rule begins on the next page:

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TITLE 92: TRANSPORTATION

CHAPTER II: SECRETARY OF STATE

PART 1040

CANCELLATION, REVOCATION OR SUSPENSION OF LICENSES OR PERMITS

- Section
1040.20 Court to Forward Licenses and Reports of Convictions
1040.21 Illinois Offense Map
1040.25 Suspension or Revocation for Driving Without a Valid Driver's License
1040.29 2 or More Traffic Offenses Committed Within 24 Months by a Person Under the Age of 21 Years
1040.30 3 or More Traffic Offenses Committed Within 12 Months
1040.31 Operating a Motor Vehicle During a Period of Suspension or Revocation
1040.32 Suspension or Revocation of Driver's Licenses, Permits or Identification Cards Used Fraudulently
1040.35 Commission of an Offense Requiring Mandatory Revocation or Discretionary Suspension or Revocation Upon Conviction
1040.36 Suspension for Violation of Restrictions on Driver's License
1040.37 Suspension for Violation of Restrictions on Instruction Permit
1040.38 Commission of a Traffic Offense in Another State
1040.40 Repeated Convictions or Collisions
1040.41 Suspension of Licenses for Curfew Violations
1040.42 Falsified Endorsement
1040.43 Illegal Transportation
1040.46 Fatal Accident and Personal Injury Suspensions or Revocations
1040.48 Vehicle Emission Suspensions
1040.50 Suspension or Revocation of a License of Commercial Vehicle Driver
1040.52 Driver Remedial Education Course
1040.55 Suspension or Revocation for Driver's License Classification Violations
1040.60 Release of Information Regarding a Disposition of Court Supervision
1040.65 Offenses Occurring on Military Bases
1040.66 Invalidity of a Restricted Driving Permit
1040.70 National Driver Register
1040.80 Cancellation of Driver's License Upon Issuance of a Handicapped Identification Card
1040.90 Identification Card
1040.100 Reinstatement Fees
1040.101 Reinstatement Fees
1040.102 Bankruptcy for Suspensions, Cancellations, Failure to Pay and Returned Checks Actions

AUTHORITY: Implementing Articles II and VII of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/Ch. 6, Arts. II and VII] and authorized by Section 2-104(b) of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code [625 ILCS 5/2-104(b)].

SOURCE: Filed September 22, 1972; amended at 3 Ill. Reg. 26, p. 282, effective

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- June 30, 1979; amended at 5 Ill. Reg. 3533, effective April 1, 1981; amended at 6 Ill. Reg. 4239, effective April 2, 1982; codified at 6 Ill. Reg. 12674; amended at 8 Ill. Reg. 2200, effective February 1, 1984; amended at 8 Ill. Reg. 3783, effective March 13, 1984; amended at 8 Ill. Reg. 18925, effective September 25, 1984; amended at 8 Ill. Reg. 23385, effective November 21, 1984; amended at 10 Ill. Reg. 15265, effective September 4, 1986; amended at 11 Ill. Reg. 16927, effective October 1, 1987; amended at 11 Ill. Reg. 20659, effective December 8, 1987; amended at 12 Ill. Reg. 2148, effective January 11, 1988; amended at 12 Ill. Reg. 14351, effective September 1, 1988; amended at 12 Ill. Reg. 16153, effective September 15, 1988; amended at 12 Ill. Reg. 16155, effective October 1, 1988; amended at 12 Ill. Reg. 17120, effective October 1, 1988; amended at 13 Ill. Reg. 1593, effective January 21, 1989; amended at 13 Ill. Reg. 5162, effective April 1, 1989; amended at 13 Ill. Reg. 7802, effective May 15, 1989; amended at 13 Ill. Reg. 8659, effective June 2, 1989; amended at 13 Ill. Reg. 17087, effective October 16, 1989; amended at 13 Ill. Reg. 20137, effective December 8, 1989; amended at 14 Ill. Reg. 2944, effective February 7, 1990; amended at 14 Ill. Reg. 5178, effective April 1, 1990; amended at 14 Ill. Reg. 5560, effective April 13, 1990; amended at 14 Ill. Reg. 18088, effective October 22, 1990; amended at 15 Ill. Reg. 14258, effective September 24, 1991; amended at 17 Ill. Reg. 8512, effective May 27, 1993; amended at 17 Ill. Reg. 9028, effective June 2, 1993; amended at 17 Ill. Reg. 12782, effective July 21, 1993; amended at 18 Ill. Reg. 7447, effective May 3, 1994; amended at 18 Ill. Reg. 10839, effective June 27, 1994; amended at 18 Ill. Reg. 11644, effective October 24, 1994; amended at 20 Ill. Reg. 2558, effective October 21, 1996; amended at 21 Ill. Reg. 8398, effective June 10, 1997; amended at 21 Ill. Reg. 10985, effective July 29, 1997; amended at 21 Ill. Reg. 12249, effective August 26, 1997; amended at 21 Ill. Reg. 12609, effective August 29, 1997; amended at 21 Ill. Reg. _____, effective _____.

Section 1040.25 Suspension or Revocation for Driving Without a Valid Driver's License

a) For purpose of this Section, the following Definitions shall apply:

"Auto Emissions Suspension" - suspension for failing to have a vehicle tested in accordance with Section 13A-101 of the Vehicle Emission Inspection Law of the Illinois Vehicle Code [625 ILCS 5/13A-101].

"Cleared Suspension or Revocation" - a suspension or revocation of driving privileges which has terminated.

"Conviction" - adjudication of guilty as defined in Section 6-100 of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/6-100].

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"Curfew Violation Suspension" - suspension when a minor operates a vehicle on a highway during the prescribed hours without an adult or as otherwise provided for in Section 1 of the Child Curfew Act [720 ILCS 555/1] in accordance with Section 6-206(a)(13) of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(13)].

"Department" - Department of Driver Services within the Office of the Secretary of State.

"Failure to Appear Suspension" - suspension for failing to pay fine or appear in court following the issuance of a traffic ticket.

"Family Financial Responsibility Suspension" - suspension in accordance with Sections 7-702 and 7-704 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-702 and 7-704].

"Financial Responsibility Suspension" - suspension in accordance with Section 7-304 and/or Section 7-305 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-304 and/or 7-305].

"Miscellaneous Suspension" - safety responsibility, financial responsibility, warrant parking/traffic, auto emissions, failure to appear, curfew, or unsatisfied judgment.

"Prior Suspension or Revocation" - a suspension or revocation or extension of a suspension or revocation which appears on the driving record.

"revocation" - the termination by formal action of the Secretary of a person's license or privilege to operate a motor vehicle on the public highways which termination shall not be subject to renewal or restoration except that an application for a new license may be presented and acted upon by the Secretary after expiration of at least one year after the date of revocation as provided for in Section 104-20 of this Act, and as defined in Section 1-176 of the Illinois Vehicle Code [625 ILCS 5/1-176].

"Safety Responsibility Suspension" - suspension in accordance with Sections 7-205 or 7-208 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-205 or 7-208].

"Suspension" - the temporary withdrawal by formal action of the Secretary of a person's license or privilege to operate a motor

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vehicle on the public highways, for a period specifically designated by the Secretary as provided for in Section 1040.20 of this Part, and as defined in Section 1-204 of the Illinois Vehicle Code [625 ILCS 5/1-204].

"Unsatisfied Judgment Suspension" - suspension in accordance with Section 7-303 or 7-313 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-303 and 7-313].

"Valid Driver's License or Permit" - license or permit issued by the Secretary of State which is the proper classification for the purposes for which it is being used and which has not been invalidated, denied, canceled, revoked, suspended or used after curfew.

"Warrant Parking/Traffic Suspension" - suspension for arrest warrants issued for failure to pay fines for traffic or parking violations.

b) When considering prior convictions, only convictions for driving without a valid driver's license within seven-t 77 years prior to of the arrest date of the incoming conviction shall be considered.

c) Only these suspensions or revocations cleared within seven-t 77 years prior to of the forthcoming suspension's or revocation's effective date shall be considered as prior suspensions or revocations. Cleared miscellaneous suspensions shall not be considered prior suspensions for purposes of this Section.

d) Miscellaneous suspensions which have not been cleared shall be counted as a prior suspension if the arrest date of the conviction for driving without a valid license occurred after the effective date of the miscellaneous suspension and if the miscellaneous suspension is in full force and effect upon entry of the suspension or revocation for driving without a valid driver's license.

e) A person shall have his/her driving privileges suspended or revoked by the Department if he/she is convicted of driving without a valid driver's license and has not been issued a valid Illinois driver's license on or prior to the date of conviction for the violation of driving without a valid license.

f) A person who has no prior suspension(s) or revocation(s) and a conviction without a valid driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions

1st Conviction
2nd Conviction
3rd Conviction

Action

2 month Suspension
4 month Suspension
6 month Suspension

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- 4th Conviction
5th or subsequent Conviction
first-conviction
second-conviction
third-conviction
fourth-conviction
fifth-or--subsequent convictions
- 12 month Suspension
Revocation
two-(2)-month-suspension
four-(4)-month-suspension
six-(6)-month-suspension
twelve-(12)-month-suspension
revocation
- g) If a person has one-t (1) prior suspension or revocation (excluding miscellaneous suspensions) and a conviction for driving without a valid driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	4 month Suspension
2nd Conviction	6 month Suspension
3rd Conviction	12 month Suspension
4th or subsequent Conviction	Revocation
first-conviction	four-(4)-months-suspension
second-conviction	six-(6)-month-suspension
third-conviction	twelve-(12)-month suspension
fourth-or--subsequent convictions	revocation

- h) If a person has two-t (2) prior suspensions or revocations or any combination thereof (excluding miscellaneous suspensions) and a conviction for driving without a valid driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	6 month Suspension
2nd Conviction	12 month Suspension
3rd or Subsequent Conviction	Revocation
first-conviction	six-(6)-month-suspension
second-conviction	twelve-(12)-month-suspension
third-or--subsequent convictions	revocation

- i) If a person has three-t (3) prior suspensions or revocations or any

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- combination thereof (excluding miscellaneous suspensions) and a conviction for driving without a valid driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	12 month Suspension
2nd or subsequent Conviction	Revocation
first-conviction	twelve-(12)-month-suspension
second--subsequent convictions	revocation

- j) If a person has four-t (4) or more prior suspensions or revocations or any combination thereof (excluding miscellaneous suspensions) and a conviction for driving without a valid driver's license, the Department shall enter an order of revocation.

- k) If a conviction for driving without a valid driver's license shows an arrest date during a period of revocation which is in effect, the revocation shall be extended for one-t (1) year from the date of the conviction or one-t (1) year from the longer period of time. If a conviction for driving without a valid driver's license shows an arrest date during a period of time during which the person is under a miscellaneous suspension (except curfew) which is still in effect, the Department shall extend the same amount of time as the originally imposed suspension in accordance with Section 6-303 of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/6-303].

- l) If a person has a miscellaneous suspension (excluding curfew suspensions) which is in effect, has no prior suspensions or revocations and a conviction for driving without a valid driver's license, with an arrest date during the miscellaneous suspension, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	4 month Suspension
2nd Conviction	6 month Suspension
3rd Conviction	12 month Suspension
4th or subsequent Conviction	Revocation
first-conviction	four-(4)-month-suspension
second-conviction	six-(6)-month-suspension
third-conviction	twelve-(12)-month-suspension

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fourth--and-subsequent
convictions revocation

- m) If a person has a miscellaneous suspension (excluding curfew suspensions) which is in effect, has one or more prior suspension or revocation and a conviction for driving without a valid driver's license, with an arrest date during the miscellaneous suspension, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	6 month Suspension
2nd Conviction	12 month Suspension
3rd or subsequent Conviction	Revocation
first-conviction	six-(6)-month-suspension
second-conviction	twelve-(12)-month-suspension
third--or--subsequent convictions	revocation

- n) If a person has a miscellaneous suspension (excluding curfew suspensions) which is in effect, has two or more prior suspensions or revocations or any combination thereof and a conviction for driving without a valid driver's license, with an arrest date during the miscellaneous suspension, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	12 month Suspension
2nd or subsequent Conviction	Revocation
first-conviction	twelve-(12)-month-suspension
second--or--subsequent convictions	revocation

- o) If a person has a miscellaneous suspension (excluding curfew suspensions) which is in effect, has three or more prior suspensions or revocations or any combination thereof and a conviction for driving without a valid driver's license, with an arrest date during the miscellaneous suspension, the Department shall enter an order of revocation.

- p) If a person has a suspension in effect pursuant to Section 6-206(a)(19) or (6) of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(19) or 6-206(a)(6)] and

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receives a subsequent conviction for driving without a valid driver's license, the suspension shall be amended in accordance with the guidelines of this Section.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

Section 1040.29 2 or More Traffic Offenses Committed Within 24 Months by a Person Under the Age of 21 Years

- a) For purposes of this Section, the following definitions shall apply:

"Auto Emissions Suspension" - suspension for failure to have a vehicle tested or failing a vehicle inspection as required pursuant to Section 13A-101 of the Vehicle Emissions Inspection Law of the Illinois Vehicle Code [625 ILCS 5/13A-101].

"Conviction" - adjudication of guilt as defined in Section 6-100(b) of the Illinois Vehicle Code [625 ILCS 5/6-100(b)].

"Curfew Violation Suspension" - suspension of a minor for operating a vehicle on a highway during a prescribed hour without an adult or as otherwise provided in accordance with Section 1 of the Child Curfew Act [720 ILCS 555/1], in accordance with Section 6-206(a)(13) of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(13)].

"Department" - Department of Driver Services within the Office of the Secretary of State.

"Failure to Appear Suspension" - suspension for failing to pay a fine or appear in court following the issuance of a traffic ticket as provided in Section 6-306.3 of the Illinois Vehicle Code [625 ILCS 5/6-306.3].

"Family Financial Responsibility Suspension" - suspension in accordance with Sections 7-702 and 7-704 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-702 and 7-704].

"Financial Responsibility Suspension" - suspension in accordance with Sections 7-304 and 7-305 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-304 and 7-305].

"Miscellaneous Suspensions" - suspensions for safety responsibility, family financial responsibility, financial responsibility, warrant parking/traffic, auto emissions, failure

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to a year, curfew or unsatisfied judgment.

"Prior Suspension or Revocation" - suspension or revocation or extension of a suspension or revocation that appears on the driving record.

"Safety Responsibility Suspension" - suspension in accordance with Section 7-205 of 7-208 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-205 9/7-208].

"Unsatisfied Judgment Suspension" - suspension in accordance with Sections 7-303 and 7-313 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-303 and 7-313].

"Warrant Parking/Traffic Suspension" - suspension for arrest warrants issued for failure to pay fines for traffic or parking violations.

b) A person who has been convicted of 2 or more points assigned traffic offenses as listed in Section 1040.20 of this Part (Type Action 87, 97 or 99), excluding any conviction previously used as a basis for suspension/revocation action, which were committed on or after January 1, 1998, while the person was under the age of 21, within a 24 month period, shall be identified by the Department for review for possible driver's license and driving privilege suspension or revocation pursuant to Section 6-206(a)(34) of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(34)] provided no more than 6 months have elapsed between the effective date of the suspension or revocation and the last conviction date.

2) Excluding all previous suspension or revocations within a 7 year period from the effective date of the suspension or revocation, the following point table shall be used in computing whether an order of suspension or revocation is to be entered and recorded to the driving record:

POINT TABLE

Number of Points	Action
0 through 9	No Action
10 through 34	1 month Suspension
35 through 49	3 month Suspension
50 through 64	6 month Suspension
65 through 79	12 month Suspension
Over 79	Revocation

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2) If the person has had 1 prior suspension or 1 prior revocation within a 7 year period from the effective date of the suspension or revocation, excluding those defined as Miscellaneous Suspensions, the following point table shall be used in computing whether an order of suspension or revocation is to be entered and recorded to the driving record:

POINT TABLE

Number of Points	Action
0 through 9	No Action
10 through 34	2 month Suspension
35 through 49	6 month Suspension
50 through 79	12 month Suspension
Over 79	Revocation

3) If the person has had 2 or more prior suspensions or revocations within a 7 year period from the effective date of the suspension or revocation, excluding those defined as Miscellaneous Suspensions, the following point table shall be used in computing whether an order of suspension or revocation is to be entered and recorded to the driving record:

POINT TABLE

Number of Points	Action
0 through 9	No Action
10 through 79	12 month Suspension
Over 79	Revocation

4) If the person has in effect a suspension for safety responsibility, financial responsibility, family financial responsibility, an unsatisfied judgment and at least of two or more convictions or offenses recorded on the effective date of the suspension for safety responsibility, financial responsibility, family financial responsibility or an unsatisfied judgment, the following point table shall be used in computing whether an order of suspension or revocation is to be entered to the driving record:

POINT TABLE

Number of Points	Action
0 through 9	No Action
10 through 79	12 month Suspension

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Over 79

Revocation

51 Notice of suspension or revocation will be given pursuant to Sections 6-209 and 7-311 of the Illinois Vehicle Code [625 ILCS 5/6-209 and 7-311].

(Source: Added at 21 Ill. Reg. _____, effective _____)

Section 1040.36 Suspension for Violation of Restrictions on Driver's License

a) For purposes of this Section, the following definitions shall apply:

"Auto Emissions Suspension" - suspension for failure to have a vehicle inspected in accordance with Section 12-01 of the Vehicle Emissions Inspection Law of the Illinois Vehicle Code [625 ILCS 5/13A-10.1].

"Conviction" - an adjudication of guilt as defined in Section 6-100 of the Illinois Vehicle Code [625 ILCS 5/6-100].

"Curfew Violation Suspension" - suspension of a minor for operating a vehicle on a highway during a prescribed hour without an adult or as otherwise provided in accordance with Section 1 of the Child Curfew Act 1720 ILCS 555/11, in accordance with Section 8-206(a)(13) of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(13)].

"Department" - Department of Driver Services within the Office of the Secretary of State.

"Driver's License Restriction" - the identification on a driver's license indicating requirements deemed applicable to the licensee by the Secretary of State to assure safe operation of a motor vehicle.

"Failure to Appear Suspension" - suspension for failure to pay a fine or appear in court following the issuance of a traffic ticket.

"Family Financial Responsibility Suspension" - suspension in accordance with Sections 7-02 and 7-701 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-02 and 7-701].

"Financial Responsibility Suspension" - suspension in accordance with Sections 7-304 and/or 7-305 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS

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5/7-304 and/or 7-305].

"Miscellaneous Suspensions" - suspensions for safety responsibility, family financial responsibility, financial responsibility, warrant parking/traffic, auto emissions, failure to appear, curfew or unsatisfied judgment.

"Prior Suspension or Revocation" - suspension or revocation or extension of a suspension or revocation that appears on the driving record.

"Revocation" - the termination by formal action of the Secretary of a person's license or privilege to operate a motor vehicle on the public highways which termination shall not be subject to renewal or restoration except upon an application or order of the Secretary of State. Revocation shall be effective after expiration of at least 1 year after the date of revocation as provided for in Section 1040.20 of this Part and as defined in Section 1-176 of the Illinois Vehicle Code [625 ILCS 5/1-176].

"Safety Responsibility Suspension" - a suspension in accordance with Section 7-205 or 7-208 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-205 or 7-208].

"Suspension" - the temporary withdrawal by formal action of the Secretary of a person's license or privilege to operate a motor vehicle on the public highways, for a period specified in the order of the Secretary of State, for a period of 1040.20 of this Part and defined in Section 1-204 of the Illinois Vehicle Code [625 ILCS 5/1-204].

"Unsatisfactory Judgment Suspension" - suspension in accordance with Sections 7-303 and 7-313 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-303 and 7-313].

"Warrant Parking/Traffic Suspension" - suspension for arrest warrants issued for failure to pay fines for traffic or parking violations.

b) A person who is convicted of operating a motor vehicle in violation of the restrictions imposed on a driver's license shall have his/her driving privileges suspended by the Department. A suspended driver's license shall be reinstated only after the driver has satisfied the time of suspension and prior to the conviction date of the incoming conviction for a first offense of a driver's license restriction violation, no action shall be taken against the individual by the Department.

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- c) Miscellaneous suspensions shall not be considered prior suspensions for the purpose of this Section.
- d) When considering prior convictions, only convictions for operating a motor vehicle in violation of restrictions on a driver's license within 7 years prior to the arrest date of the incoming conviction shall be considered.
- e) Only those suspensions currently in effect or pending or suspensions or revocations cleared within 7 years prior to the forthcoming suspension's effective date shall be considered as prior suspensions or revocations.
- f) If a person has no prior suspension(s) or revocation(s) of any kind and the restriction on a motor vehicle in violation of the restrictions imposed on a driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	2 month Suspension
2nd Conviction	4 month Suspension
3rd Conviction	6 month Suspension
4th or subsequent Conviction	12 month Suspension

- g) If a person has 1 prior suspension or revocation and a conviction for operating a motor vehicle in violation of the restrictions imposed on a driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	4 month Suspension
2nd Conviction	6 month Suspension
3rd or subsequent Conviction	12 month Suspension

- h) If a person has 2 prior suspensions or revocations or any combination thereof, and a conviction for operating a motor vehicle in violation of the restrictions imposed on a driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st Conviction	6 month Suspension
2nd or subsequent Conviction	12 month Suspension

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- i) If a person has 3 prior suspensions or revocations or any combination thereof, and a conviction for operating a motor vehicle in violation of the restrictions imposed on a driver's license, the Department shall take action as follows:

ACTION TABLE

Convictions	Action
1st or subsequent Conviction	12 month Suspension

- j) If a conviction for operating a motor vehicle in violation of the restrictions imposed on a driver's license and a restriction on a driver's license are imposed on the same person, the restriction shall be extended for 1 year from the date of the conviction or the latest protected eligibility date on record, whichever is the greater period of time. If a conviction for operating a motor vehicle in violation of the restrictions imposed on a driver's license shows an arrest date during a period of suspension (including curfew suspensions) which is still in effect, the suspension shall be extended the same amount of time as the originally imposed suspension in accordance with Section 6-303 of the Illinois Vehicle Code [625 ILCS 5/6-303].

- k) If a person has a suspension in effect pursuant to Section 6-113(d) of the Illinois Vehicle Code and receives a subsequent conviction for operating a motor vehicle in violation of the restrictions imposed on a driver's license, the suspension shall be amended in accordance with the guidelines of subsections (f) through (i) of this Part.

(Source: Added at 21 Ill. Reg. _____, effective _____.)

Section 1040.37 Suspension for Violation of Restrictions on Instruction Permit

- a) For purposes of this Section, the following definitions shall apply:

"Auto Emissions Suspension" - suspension for failing to have a vehicle tested in accordance with Section 130-101 of the Vehicle Emissions Inspection Law of the Illinois Vehicle Code [625 ILCS 5/130-101].

"Conviction" - adjudication of guilt as defined in Section 6-100 of the Illinois Vehicle Code [625 ILCS 5/6-100].

"Curfew Violation Suspension" - suspension of a minor for operating a vehicle on a highway during a prescribed hour without an adult or as otherwise defined in accordance with Section 1 of the Child Curfew Act 1720 ILCS 555/1, in accordance with Section 6-206(a)(13) of the Illinois Vehicle Code [625 ILCS

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5/6-206(a)(13)).

"Denial of Driver's License" - to prohibit or disallow the privilege to obtain a driver's license while allowing the privilege to obtain an instructional permit and limiting privileges to that of an instructional permit, if a driver's license has previously been issued in accordance with Sections 6-107(c) and 6-107(d) of the Illinois Vehicle Code [625 ILCS 5/6-107(c) and 6-107(d)].

"Denial of Driving Privilege" - to prohibit or disallow the privilege to obtain a driver's license or permit and/or the privilege to operate a motor vehicle in accordance with Section 6-107(c) of the Illinois Vehicle Code [625 ILCS 5/6-107(c)].

"Department" - Department of Driver Services within the Office of the Secretary of State.

"Failure to Answer Suspension" - suspension for failing to pay a fine or appear in court following the issuance of a traffic ticket.

"Family Financial Responsibility Suspension" - suspension in accordance with Sections 7-702 and 7-704 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-702 and 7-704].

"Financial Responsibility Suspension" - suspension in accordance with Sections 7-304 and/or 7-305 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-304 and/or 7-305].

"Instruction Permit" - a driving permit issued pursuant to Sections 6-105 or 6-107.1 of the Illinois Vehicle Code [625 ILCS 5/6-105 or 6-107.1].

"Instruction Permit Restriction" - a limitation imposed on an instruction permit which limits the holder to the operation of a motor vehicle only when accompanied by a licensed driver at least 21 years of age who has a license classification to operate such vehicle and has had 1 year's driving experience with such classification and who is occupying the seat beside the driver.

"Miscellaneous Suspension" - a safety responsibility, family responsibility, financial responsibility, warrant parking/traffic, auto emissions, failure to answer, curfew or unsatisfied judgment.

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"Prior Suspension or Revocation" - suspension or revocation or extension of suspension or revocation that appears on the driving record.

"Revocation" - the termination by formal action of the Secretary of a person's license or privilege to operate a motor vehicle on the public highways which termination shall not be subject to the restrictions imposed on the license or privilege for a new license may be reinstated and acted upon by the Secretary after expiration of at least 1 year after the date of revocation as provided for in Section 10-40.20 of this Part and as defined in Section 1-176 of the Illinois Vehicle Code [625 ILCS 5/1-176].

"Safety Responsibility Suspension" - suspension in accordance with Section 7-205 or 7-208 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-205 or 7-208].

"Suspension" - the temporary withdrawal by formal action of the Secretary of a person's license or privilege to operate a motor vehicle on the public highways for a period specifically prescribed by the Secretary as provided for in Section 10-40.20 of this Part and as defined in Section 1-201 of the Illinois Vehicle Code [625 ILCS 5/1-201].

"Unsatisfied Judgment Suspension" - suspension in accordance with Section 7-303 or 7-313 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-303 or 7-313].

"Warrant Parking/Traffic Suspension" - suspension for arrest warrants issued for failure to pay fines for traffic or parking violations.

b) A person who is convicted of operating a motor vehicle in violation of the restrictions imposed on an instruction permit shall have his/her license suspended for the period of the instruction permit. If a new driver's license is issued on the expiration date of the instruction permit, the license is issued on a first offense of an instruction permit restriction violation, no action shall be taken against the individual by the Department.

c) A person who is convicted of operating a motor vehicle in violation of the restrictions imposed on an instruction permit issued on a driver's license during a period of denial shall have his/her driving privileges suspended by the Department. If the denial has terminated upon receipt of the incoming conviction for a first offense of an instruction permit restriction violation, no action shall be taken against the individual by the Department.

d) Miscellaneous suspensions shall not be considered prior suspensions

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for the purpose of this Section.

a) When considering prior convictions, only convictions for operating a motor vehicle in violation of restrictions on an instruction permit within 7 years prior to the arrest date of the incoming conviction shall be considered.

f) Only those suspensions currently in effect or pending or suspensions or revocations cleared within 7 years prior to the forthcoming suspension's effective date shall be considered as prior suspensions or revocations.

g) A person has no prior suspension(s) or revocation(s) of any kind if a person has no prior conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit, the Department shall take action as follows:

ACTION TABLE	
Convictions	Action
1st Conviction	2 month Suspension
2nd Conviction	4 month Suspension
3rd Conviction	6 month Suspension
4th or subsequent Conviction	12 month Suspension

b) If a person has 1 prior suspension or revocation and a conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit, the Department shall take action as follows:

ACTION TABLE	
Convictions	Action
1st Conviction	4 month Suspension
2nd Conviction	6 month Suspension
3rd or subsequent Conviction	12 month Suspension

i) If a person has 2 prior suspensions or revocations or any combination thereof, and a conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit, the Department shall take action as follows:

ACTION TABLE	
Convictions	Action
1st Conviction	6 month Suspension
2nd or subsequent Conviction	12 month Suspension

ii) If a person has 3 or more prior suspensions or revocations or any

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combination thereof and a conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit, the Department shall take action as follows:

ACTION TABLE	
Convictions	Action
1st or subsequent Conviction	12 month Suspension

k) If a conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit, however, occurs during a period of revocation which is in effect, the revocation shall be extended for 1 year from the date of the conviction of the latest protected eligibility date on record, whichever is the greater, period of time. If a conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit shows an arrest date during a period of suspension (including curfew suspensions) which is still in effect, the suspension shall be extended the same amount of time as the originally imposed suspension in accordance with Section 6-103 of the Illinois Vehicle Code [625 ILCS 5/6-103].

l) If a person has a suspension in effect pursuant to Section 6-113(d) of the Illinois Vehicle Code [625 ILCS 5/6-113(d)] and receives a subsequent conviction for operating a motor vehicle in violation of the restrictions imposed on an instruction permit, the suspension shall be extended in accordance with the guidelines of subsections (i) through (j) of this Section.

(Source: Added at 21 Ill. Reg. _____, effective _____)

Section 1040.38 Commission of a Traffic Offense in Another State

a) A person who has been convicted of a traffic offense in another state, which if committed in this State would be grounds for mandatory revocation under Section 6-205 of the Illinois Vehicle Code [625 ILCS 5/6-205] shall have a suspension of 12 months. A person who has been convicted of a traffic offense in another state, which if committed in this State would be grounds for mandatory revocation under Section 6-205 of the Illinois Vehicle Code [625 ILCS 5/6-205] shall have his/her driving privileges revoked.

b) A person who has been convicted of a traffic offense in another state, which if committed in this State would be grounds for mandatory revocation under Section 6-205 of the Illinois Vehicle Code [625 ILCS 5/6-205] shall have his/her driving privileges reviewed, and shall be subject to the same action as if the offense(s) had occurred within this State.

c) A person who has been convicted of a traffic offense in another state, which if committed in this State would be grounds for denial under Section 6-107(c) or 6-107(d) of the Illinois Vehicle Code, shall have his/her driving privileges reviewed and shall be subject to the same

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action as if the offense(s) had occurred within this State.

(Source: Amended	at 21	Ill.	Reg.	effective

Section 1040.40 Repeated Convictions or Collisions

a) For the purposes of this Section, the following definitions shall apply:

"Auto Emissions Suspension" - suspension for failure to have a vehicle tested in accordance with Section 12A-101 of the Vehicle Emissions Inspection Law of the Illinois Vehicle Code [625 ILCS 5/13A-101]. "Auto Emissions Suspension" - suspension for failing to have a vehicle tested or failing a vehicle inspection - as required pursuant to the Vehicle Emissions Inspection Law of the Illinois Vehicle Code (115c Rev Stat 1967 ch 95 1/2 par 13A-101 et seq)

"Conviction" - adjudication of guilt as defined in Section 6-100 of the Illinois Vehicle Code [625 ILCS 5/6-100]. "Conviction"---a final adjudication of guilt by a court of competent jurisdiction either after a bench trial or by jury plea of guilty--order of forfeiture or default as defined in Section 6-100 of the Illinois Driver Licensing Act of the Illinois Vehicle Code--(Illv Revs-Stat-1997-Ch-95-1/37-pg-6-100)

"curfew violation suspension" - suspension of a minor for operating a vehicle on a highway during a prescribed hour without an adult or as otherwise provided in accordance with Section 1 of the Child Curfew Act [720 ILCS 595/1], in accordance with Section 6-206(a)(13) of the Illinois Vehicle Code [625 ILCS 6-206(a)(13)]. "curfew-violation suspension" - suspension of a minor for operating a vehicle on a highway during a prescribed hour without an adult or as otherwise provided in accordance with Section 1 of AN Act relating to a curfew for certain children - Children's New Statute 1997, chapter 451, part 451B, in accordance with Section 38-38.03(13). "curfew-violation suspension" - suspension of a minor for operating a vehicle on a highway during a prescribed hour without an adult or as otherwise provided in accordance with Section 1 of AN Act relating to a curfew for certain children - Children's New Statute 1997, chapter 451, part 451B, in accordance with Section 38-38.03(13).

"Department" - Department of Driver Services within the Office of the Secretary of State.

"Failure to Appear Suspension" - suspension for failing to pay a fine or appear in court following the issuance of a traffic ticket. "Failure to Appear Suspension"---suspension for failing to pay a fine or appear in court following the issuance of a traffic ticket.

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[illegible]

"Family Financial Responsibility Suspension" - suspension in accordance with Sections 7-702 and/or 7-704 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-702 and/or 7-704].

"Financial Responsibility Suspension" - suspension in accordance with Sections 7-304 and/or 7-305 of the Illinois Safety and Family Responsibility Law of the Illinois Vehicle Code [625 ILCS 7-304 and/or 7-305].

"Financial Responsibility" - suspension in accordance with Sections 7-304 and/or 7-305 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [Ill. Rev. Stat. 1987, ch. 95, § 37, para. 7-304 and/or 7-305].

"Miscellaneous Suspensions" - safety responsibility, financial responsibility, warrant parking/traffic, auto emissions, failure to appear, curfew or unsatisfied judgment. "Miscellaneous Suspensions" - suspensions for - safety responsibility, financial responsibility, warrant parking/traffic, auto emissions, failure to appear, curfew, or unsatisfied judgment.

"Prior Suspension or Revocation - a suspension or revocation or extension of a suspension or revocation which appears on the driving record.

"Revocation" - the termination of formal action of the Secretary of State to issue a license or to grant a privilege to operate a motor vehicle on the public highways when termination shall not be subject to the renewal of restoration except that an application for a new license may be presented and acted upon by the Secretary after expiration of at least 1 year after the date of revocation as provided for in Section 1040.20 of this Code and as defined in Section 1-176 of the Illinois Vehicle Code (625 ILCS/1-176).

"Safety Responsibility Suspension" - a suspension in accordance with Section 7-205 or 7-208 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ILCS 5/7-205 OR 7-208], Ill.-Rev-Stat.-1987-ch.-95-2/27--page--7-205--and 7-208--

"Unsatisfied Judgment Suspension" - suspension in accordance with Section 7-303 or 7-313 of the Illinois Safety Responsibility Law of the Illinois Vehicle Code [625 ICS 5/7-303 or 7-313].

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upstateid-judgment--Suspension---suspension--in--accordance
with--Sections--7-363--and--7-313--of--the--Illinois--Safety
Responsibility Law of the Illinois Vehicle Code (1111-Rev-Stat-
1967-ch-95-1/2--para-7-363-and-7-313);

"Warrant Parking/Traffic Suspension" - suspension for arrest
warrants issued for failure to pay fines for traffic or parking
violations. "Warrant Parking/Traffic Suspension" - suspension for
arrest warrants issued for failure to pay fines for traffic or
parking violations as described in Sections 6-366.3 and 6-386.5
of the Illinois Driver-Bicensing Law of the Illinois Vehicle Code
(1111-Rev-Stat-1967-ch-95-1/2--para-6-366.3-and-6-386.5);

b) A person who has been repeatedly involved as a driver in motor vehicle
accidents or repeated traffic offenses, or who has been repeatedly
which indicates the lack of ability to exercise ordinary and
reasonable care in the safe operation of a motor vehicle, or whose
record indicates disrespect for traffic laws and the safety of other
persons on the highway, shall be reviewed by the Department for
possible driver's license and/or driving privilege suspension or
revocation pursuant to Section 6-206(a)(3) of the Illinois Driver-
Bicensing Law of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(3)]
(1111-Rev-Stat-1967-ch-95-1/2--para-6-206(a)(3)). Upon review, if
a determination is made by the Department that additional convictions
accumulating 90 or more points have been received after the effective
date of a twelve-month suspension or revocation entered under
Section 1040.20 of this Part or under this Section and the 90 or more
additional or accumulated points were a result of convictions
for which the person was suspended or revoked, the Department shall
the twelve-month suspension period and the person's driving privilege
shall be revoked under Section 6-206(a)(3) of the Illinois Driver-
Bicensing Law of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(3)]
(1111-Rev-Stat-1967-ch-95-1/2--para-6-206(a)(3)).

c) A person who has been convicted of three or more points assigned
traffic violations committed within a twelve-month period as
listed in Section 1040.20 of this Part (type action 97 or 99),
excluding any conviction previously used as a basis for action, shall
be identified for review for possible driver's license and/or driving
privilege suspension or revocation pursuant to Section 6-206(a)(3) of
the Illinois Driver-Bicensing Law of the Illinois Vehicle Code [625
ILCS 5/6-206(a)(3)] (1111-Rev-Stat-1967-ch-95-1/2--para-
6-206(a)(3)).

1) If a person's driving record indicates one or more prior
suspensions or revocations under Section 6-206(a)(3) of the
Illinois Driver-Bicensing Law of the Illinois Vehicle Code [625
ILCS 5/6-206(a)(3)] (1111-Rev-Stat-1967-ch-95-1/2--para-
6-206(a)(3)) within a seven-year period from the effective date
of the revocation, the following point table shall be used to

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enter an order of revocation and shall be recorded to the driving
record;

POINT TABLE PENNY-TABLE

Number of Points Number-of-Points	Action Action
0 through 14	No Action
15 or more	Revocation
2) If a person's driving record indicates two or more prior suspensions or revocations within a seven-year period from the effective date of the suspension or revocation, excluding miscellaneous suspensions and suspensions or revocations under Section 6-206(a)(3) of the Illinois Driver-Bicensing Law of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(3)] (1111-Rev-Stat- 1967-ch-95-1/2--para-6-206(a)(3)), the following point table shall be used in computing whether an order of suspension or revocation is to be entered and recorded to the driving record:	

POINT TABLE PENNY-TABLE

Number of Points Number-of-Points	Action Action
0 through 14	No Action
15 through 109	12 month Suspension suspension
110 or more	Revocation

3) If a person has a point total which exceeds 109 and more than six
months have elapsed between the time of the last conviction
date and the effective date of the order of revocation, an order
of revocation shall be entered and recorded to the driving
record.

4) Notice of suspension or revocation will be given pursuant to
Section 6-209 of the Illinois Driver-Bicensing Law of the
Illinois Vehicle Code and Section 2-114 of the Illinois Vehicle
Title and Registration Law of the Illinois Vehicle Code [625 ILCS
5/2-114 and 6-209] (1111-Rev-Stat-1967-ch-95-1/2--para-6-209
and 2-114).

d) If a person has been convicted of 2 or more point assigned traffic
violations committed within

1) a 24 month period as specified in Section 1040.20 of this Part
(type 97 or 99), excluding any conviction previously used as
a basis for suspension/revocation action or on or after January
1, 1989;
2) under the age of 21; and has a point total which exceeds
79; and

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- operate a motor vehicle is suspended or revoked:
- 2) Section 11-401. Leaving the scene of a traffic accident involving death or personal injury;
 - 3) Section 11-501. Driving under the influence of alcohol, other drugs, or a combination thereof;
 - 4) Section 11-503. Reckless driving; or
 - 5) Section 11-504. Drag racing;
- shall not be released or made available to any source outside the office of the Secretary of State except as expressly provided in subsection (c) 4b) of this Section.
- b) Information pertaining to placement of a driver under age 21 on court supervision for any of the following offenses of the Illinois Vehicle Code or similar provisions of a local ordinance:
- 1) Section 11-401. Operating a motor vehicle without a valid license or permit;
 - 2) Section 11-402(a). Collision involving damage to vehicles only;
 - 3) Failure to stop, exchange information and make report;
 - 4) Section 11-403. Failure to stop and exchange information after motor vehicle collision; property damage only;
 - 5) Section 11-403. Failure to stop and exchange information or give aid after motor vehicle collision; personal injury involved;
 - 6) Section 11-502. Illegal transportation, possession, or carrying any alcoholic liquor within the passenger area of any motor vehicle;
 - 7) Section 11-601. Speeding charge; 30 miles per hour or more above the legal speed limit;
 - 8) Section 11-602. Reckless driving;
 - 9) Section 11-707(b). Driving on the left side of roadway where prohibited;
 - 10) Section 11-707(d). Passing in a no-passing zone;
 - 11) Section 11-1402(b). Limitations on backing upon controlled access highway;
 - 12) Section 11-1002(a). Failure to yield right-of-way to a pedestrian at an intersection;
 - 13) Section 11-1009. Failure to yield to a pedestrian on a sidewalk; or
 - 14) Section 11-1201. Failure to stop for approaching railroad train or signal;
- shall not be released or made available to any source outside the office of the Secretary of State, except as expressly provided in subsection (c) of this Section.
- c) Information pertaining to a driver's placement on court supervision for any of the offenses named in subsections (a) and (b) of this Section shall be released only upon receipt of a written request from the Federal Courts, State Courts, prosecuting authorities, law enforcement authorities, the driver, or his/her attorney.
- 1) "Proper request" shall mean a written request for an abstract of

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- driver's record submitted pursuant to Section 2-123 of the Illinois Vehicle Code. The request shall be submitted on the business letterhead of the requesting party. The request shall be signed by the judge, the prosecutor of the agency, the law enforcement authority, or the individual's driving record. The request shall include an abstract of his/her driving record. The request shall include the following information concerning the driver if such information is known to the requesting party:
- A) Full name, including middle initial;
 - B) Address;
 - C) Birthdate;
 - D) Sex;
 - E) Driver's license number;
 - F) Date of offense;
 - G) Offense charged;
 - H) Court applicable.
- 2) The office of the Secretary of State shall provide sufficient information on the abstract of a driver's record to enable the requesting party to obtain specific details of the matter by contacting the court which has previously granted the disposition of supervision.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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1) Heading of the Part: Issuance of Licenses

2) Code Citation: 92 Ill. Adm. Code 1030

3) Section Numbers: Proposed Action

1030.11 Amendment

1030.13 Amendment

1030.15 Amendment

1030.97 Amendment

4) Statutory Authority: Section 2-104(b) of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code [625 ILCS 5/2-104(b)] and Article I of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/Ch. 6, Art. I].

5) Complete Description of the Subjects and Issues Involved: This rulemaking is being amended to include the recently enacted legislation regarding Graduated Driver's Licensing Program (P.A. 90-369).

6) Will this proposed rulemaking replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rulemaking contain incorporations by reference? No

9) Are there any other amendments pending on this part? No

10) Statement of Statewide Policy Objective: This rulemaking will have no effect on units of local government.

11) Time, place and manner in which interested persons may comment on this proposed rulemaking: The Secretary of State will fully consider all comments received within 45 days of the date this notice is published. All comments must be in writing and should be sent to:

Mark A. Novak

Assistant Counsel to the Secretary

2701 S. Dirksen Parkway

Springfield, IL 62723

217/782-5356

12) Initial Regulatory Flexibility Analysis: After careful consideration, the Secretary of State does not believe this proposed rulemaking will affect any types of small businesses.

13) State reason(s) for this rulemaking if it was not included in either of the two most recent regulatory agendas: July 1997

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The full text of the proposed rule begins on the next page.

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B) The conviction shall be reported to the Secretary of State's Office in a manner prescribed by Section 6-107 of the Illinois Vehicle Code [625 ICS 5/6-107].

C) The Secretary of State shall deny a driver's license to any applicant under 18 years of age:

- 1) Who has not attained the age of 16, who has not passed an approved driver education course as defined in Section 1-103 of the Illinois Vehicle Code, or has not submitted proof of having passed the course as may be required by the Secretary of State;
- 2) Who has been convicted of a violation of Section 6-101 of the Illinois Vehicle Code or a similar provision of a local ordinance or a similar out-of-state offense regarding operating a motor vehicle without a valid driver's license or permit committed on or after January 1, 1998.

d) The Secretary of State shall deny a driver's license to any applicant under 18 years of age for a period of 6 months or until the applicant's 18th birthday, whichever period is shorter, who as of January 1, 1998 has been convicted of committing a violation of an offense defined as a serious traffic violation in Section 1-187.001 of the Illinois Vehicle Code [625 ICS 5/1-187.001].

e) Any applicant who has been denied a license or permit under the provisions of Section 6-101 of the Illinois Vehicle Code [625 ICS 5/6-107] shall be subject to the provisions of Section 2-118 of the Illinois Administrative Hearings pursuant to Section 2-118 of the Illinois Vehicle Code.

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cycle with less than 150 cc displacement.

"Class "M" Instruction Permit" - permit to operate any motorcycle or any motor driven cycle.

"Competent Medical Specialist" - a person licensed under the Medical Practice Act or similar law of another jurisdiction to practice medicine in all of its branches. [625 ILCS 60]

"Department" - Department of Driver Services within the Office of the Secretary of State.

"Driver Education Course" - a course of instruction in the use and operation of cars, including instruction in the safe operation of cars, rules of the road and the minimum requirements relating to motor vehicles, which meets the minimum requisite for driver education set forth in the Illinois Vehicle Code [105 ILCS 5/27-24] (###-Rev-Stat-1989 ch-132-par-27-4e-a-seq) and Section 1-103 of the Illinois Vehicle Code [625 ILCS 5/1-103] (###-Rev-Stat-1989 ch-132-par-1-3-a-seq).

[illegible]

"Driver Rehabilitation Specialist" - a person who possesses an undergraduate degree in rehabilitation, education, health, or safety, safety, therapy or a related profession (or equivalent of a related profession) and possesses a current minimum of five years of experience in driver rehabilitation for the Disabled (ADEP) Association of Driver Educators for the Disabled (ADEP) Certification as a Driver Rehabilitation Specialist consisting of successful completion of 100 clock hours of educational experience, in combination with safety and medical aspects of disabilities; a minimum of 30 clock hours must be gained from attending ADEP approved courses or workshops.

"Driving Evaluation" - Assessment of an applicant's ability to safely operate a motor vehicle performed by a driver education specialist at a rehabilitation institution Rehabilitation institution.

"Favorable Medical Report" - a current medical report which has been completed in its entirety which does not require additional information and/or clarification or is not medically questionable. A favorable medical report specifies a professional opinion from the competent medical specialist that the driver is medically fit to safely operate a motor vehicle.

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"Illinois Medical Restriction Card" - a card which specifies special limitations to a person's driving privileges as provided in Section 6-113 of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/6-113] (11th Rev. Stat. 1989, Ch. 95-1/27-Par. 6-113).

"In Loco Parentis" - person who is acting in place of a minor's parent with a parent's rights, duties, and authority.

"Instruction Permit" - a driving permit issued pursuant to Sections 6-102, 6-105 and 6-107.1 of the Illinois Vehicle Code [625 ILCS 5/6-102, 6-105 and 6-107.1].

"Licensed Physician" - physician licensed to practice medicine in the State of Illinois.

"Medical Report" - a confidential medical questionnaire designed by the Department and approved by the Illinois Medical Advisory Board or a statement on letterhead made by a competent medical specialist containing the same information as the form designed by the Department. The medical report shall be directed to the Department and contain the date the competent medical specialist completed the report and the name, address, signature and telephone number of the competent medical specialist. The report must also contain the name of the driver, a medical record number, if known, of the driver. A medical record number as defined in Section 1030.16 of this Part, upon execution by the driver, shall be incorporated into and maintained on file with the driver's medical report.

"Minor" - a person under 18 years of age eighteen-.

"Rehabilitation Institution" - any hospital, center, institute or facility engaged in a program to provide driver training for the disabled.

b) A person who wishes to practice driving before obtaining his/her driver's license shall obtain an instruction permit from a Secretary of State's Private Secretary. The person applying for an instruction permit shall be at least 16 years of age and shall be a resident of this State when accompanied by an adult instructor of a driver education program or when practicing with a parent, legal guardian, family member or a person in loco parentis, who is 21 years of age or more and has a license classification to operate such vehicle and at least one year of driving experience, and who is occupying a seat beside the driver.

c) A minor who wishes to receive an instruction permit shall be at least fifteen-15 years old and enrolled in a driver education course.

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Any minor who has been enrolled in a driver education program out-of-state shall provide proof of such enrollment before he/she shall be issued an Illinois instruction permit. Proof shall consist of a letter from the minor's school on the school's letterhead or other proof deemed acceptable by the Secretary of State. The minor shall complete a driver education course if he/she wants to apply for a driver's license before he/she is eighteen-18 years of age. If the minor is eighteen-18 years of age or older and has in his/her possession a certificate of completion of the equivalent, from another State's driver education program, he/she shall be exempt from completing an Illinois driver's license upon successful completion of the vision and/or road tests. The equivalent for Illinois of a certificate of completion from an out-of-state driver education course shall include but is not limited to, transcripts from the out-of-state attendance center indicating successful completion of the course of instruction or a letter from the state's driver's licensing authority on agency letterhead, attesting to the minor's successful completion of a driver education course approved by the office in the state which regulates education.

d) A minor who is at least 15 years and 6 months of age may obtain an Illinois instruction permit prior to being enrolled in a driver education course provided he/she:

- 1) has written documentation on a form prepared or approved by the Secretary of State, certifying that the minor has completed at least 8 courses during the previous 2 semesters as required by the Driver Education Act, or submits a written waiver from a superintendent or chief school administrator;
 - 2) submits a written waiver on a form prepared or approved by the Secretary of State from a superintendent or chief administrator stating that through no fault of the minor, he/she will be unable to be enrolled in a driver education course until after his/her 16th birthday and the school would have no objection to the issuance of the instruction permit; and
 - 3) successfully completes the written and vision examinations administered either by an approved driver education instructor or the Secretary of State.
- An Illinois instruction permit issued to a minor under this subsection (d) may be concealed upon receipt of a report from the minor's school on the school's letterhead or other proof deemed acceptable by the Secretary of State stating that the minor has failed to enroll in a driver education course.

e) The minor who is not legally emancipated by marriage or court order shall have his/her application signed by a parent, guardian, or person in loco parentis and the driver education instructor. The minor shall then be allowed to take the vision and written exams.

f) The instruction permit shall be issued to a non-emancipated minor for a period of 2 years one-1 year upon successful completion of the

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and declares his/her intention to do so in writing to the Secretary; or

(2) When the Secretary receives a certified court order indicating the holder is to refrain from driving; or

(3) Upon the death of the holder, driver's license period of a driver under the age of 18 whose driving privileges have been suspended pursuant to Section 6-206(a)(4), (11), (16), (21), (31), (33), and (34), of the Illinois Vehicle Code [625 ILCS 5/6-206(a)(4), (11), (16), (21), (33) and (34)], who has failed to successfully complete a driver remedial education course.

(c) A driver's license or permit invalidated based upon a voluntary surrender under this Section may be reinstated in the same manner as prescribed by Sections 6-114 and 6-115 of the Illinois Driver Licensing Law of the Illinois Vehicle Code [625 ILCS 5/6-114 and 5/6-115].

(d) A driver's license or permit invalidated under this Section shall nullify the holder's driving privileges, except upon the death of the holder.

(e) A license or permit invalidated upon the death of the holder may be released to a relative of the decedent provided the actual license or permit bears a readily identifiable designation evidencing invalidation. (f) To invalidate a license or permit a hole shall be punched through the issuance date and the expiration date of the license or permit by an employee of the Secretary of State, a law enforcement officer, or a coroner.

(g) The Secretary of State employee, law enforcement officer, or coroner who invalidates a license or permit, shall make a report of the matter to the Secretary of State on a form provided or approved by the Secretary of State.

(h) Driving privileges invalidated based upon a court order may be reinstated upon receipt of a court order granting reinstatement or an order from the court terminating probation, conditional discharge or a driver's license.

(i) A driver whose driving privileges are invalidated based upon the driver's failure to complete a driver remedial education course may be reinstated upon successful completion of a driver remedial education course. The payment of all reinstatement fees and retesting under Section 6-109 of the Illinois Vehicle Code [625 ILCS 5/6-109] if the suspension period is 6 months or greater.

(Source: Amended at 21 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED REPEAL

1) Heading of the Part: Rules of the Road - Handicapped Parking

2) Code Citation: 92 Ill. Adm. Code 1100

3) Section Numbers:
1100.5 Proposed Action:
Repeal
1100.7
1100.10
1100.20
1100.30 Repeal

4) Statutory Authority: 625 ILCS 5/3-704, 11-1301.3, 11-1301.5, and 11-1301.6

5) A Complete Description of the Subjects and Issues Involved: This rulemaking repeals the former provisions regarding the issuance and withdrawal of persons with disabilities registration plates, parking decal or device as these provisions are being replaced with new rulemaking proposed in response to PA 90-106.

6) Will this rulemaking replace any emergency rulemaking currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? Yes

Section Numbers	Proposed Action	Illinois Register Citation
1100.5	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.7	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.10	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.15	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.20	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.25	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.30	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.35	New Section	September 26, 1997 (21 Ill. Reg. _____)
1100.40	New Section	September 26, 1997 (21 Ill. Reg. _____)

10) Statement of Statewide Policy Objectives: This repealer is being proposed as this rulemaking is being replaced by other proposed rulemaking which outlines the procedures for the issuance and withdrawal of persons with disabilities registration plates, parking decal or device.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days to:

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Nancy G. Easum
Deputy General Counsel
Room 769, State Capitol Building
Springfield, IL 62756
217/782-2192

12) Initial Regulatory Flexibility Analysis:

- A) TYPES of small businesses, small municipalities and not for profit corporations affected: This rulemaking will not have any effect upon small businesses.
- B) Reporting, bookkeeping or other procedures required for compliance: N/A
- C) TYPES of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: This rulemaking is in response to a new Public Act.

The full text of the Proposed Repealer begins on the next page:

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NOTICE OF PROPOSED REPEALER

TITLE 92: TRANSPORTATION
CHAPTER 11: SECRETARY OF STATE

PART 1100

RULES OF THE ROAD - HANDICAPPED PARKING (REPEALED)

Section

1100.5

Definitions

1100.7

Application Procedures for Plates and Decals

1100.10

Special Decals for Handicapped Parking

1100.20

Corporations, School Districts and Special Education Cooperatives

1100.30

Revocation of Plates and Decals

AUTHORITY: Implementing and authorized by Sections 3-616 of the Illinois Vehicle Title and Registration Law and Section 11-1301.2 of the Illinois Rules of the Road (Ill. Rev. Stat. 1985, ch. 95 1/2, pars. 3-616 and 11-1301.2).

SOURCE: Adopted at 4 Ill. Reg. 11 p. 74, effective February 29, 1980; codified at 6 Ill. Reg. 12703; amended at 9 Ill. Reg. 12868, effective August 2, 1985; amended at 12 Ill. Reg. 8448, effective May 2, 1988; repealed at 21 Ill. Reg. _____, effective _____.

Section 1100.5 Definitions

"Affirmation by an Authorized Agent" means the agent for said corporation, school district or special education co-operative attests that the individuals being transported are qualified under Section 1-139.1 of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 1-139.1) and are permanently disabled (i.e. indefinitely subject to a physical disability or a developmental disability as defined in Section 4A(a) of the Illinois Identification Card Act (Ill. Rev. Stat. 1985, ch. 124, par. 24A(a)).

"Blindness" in accordance with the Section 24A(a) of the Illinois Identification Card Act (Ill. Rev. Stat. 1985, ch. 124, par. 24A(a)), means a visual disability resulting in complete absence of vision, or vision that with corrective glasses is so defective as to prevent performance of tasks or activities for which eyesight is essential for the purposes of the handicapped program.

"Certification by a licensed physician" as required by Section 3-616(a) of Illinois Vehicle Title and Registration Law (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 3-616(a)) means a statement by a licensed medical doctor, affirming that the applicant for a handicapped parking plate or decal is a handicapped person in accordance with Section 1-139.1 of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 1-139.1).

"Decal" means a card described in Section 1100.10(a) which, when

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displayed in a vehicle, authorizes the parking of the vehicle in parking spaces reserved for the handicapped and authorizes other parking privileges as outlined in Section 11-1301.1 of the Illinois Rules of the Road (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 11-1301.1.) "Decal" does not mean a sticker with adhesive backing which is permanently affixed to a vehicle.

"Handicapped person" means a person who is unable to walk 200 feet or more without the assistance of walking aids and who has other limitations without great difficulties for the medical reasons outlined in Section 11-159.1 of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 11-159.1.) Medical conditions, such as partial blindness, the loss of function or absence of a hand or arm, that do not impair the person's ability to walk do not render the person "handicapped" for the purposes of the handicapped parking program.

"While the disabled person is present," as that term is used in Section 11-1301.1 of the Illinois Rules of the Road (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 11-1301.1), means that the "handicapped" person must either exit or enter the vehicle while the vehicle was parked in a designated handicapped parking area or in an area where parking under time restrictions are waived. In other words, an able-bodied driver cannot enter or exit the vehicle, or the vehicle's distance to a facility, park in a handicapped parking space, and then return to pick-up the handicapped person.

(Source: Added at 12 Ill. Reg. 8448, effective May 2, 1988)

Section 1100-7 Application Procedures for Plates and Decals

- a) If a person wishes to apply for a handicap license plate, he/she shall submit the following to the Secretary of State:
 - 1) The physician's certification form completed by the physician and the applicant;
 - 2) The current registration card or a copy of the title if the vehicle is registered in the applicant's name or the title or the registration card is the original if the vehicle is not registered in the applicant's name;
 - 3) The application form and required statutory fee as provided for in Section 3-806 of the Illinois Vehicle Title and Registration Law of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 3-806).
- b) If a person wishes to apply for a handicap parking decal, he/she shall submit the following to the Department:
 - 1) The physician's certification form completed by the physician and applicant unless the person has been issued a disabled veteran or handicap license and has a certification form on file or the person has an Illinois Disabled Person's I.D. card with a la

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- 2a Identification as provided in Section 24 of the Illinois Identification Card Act (Ill. Rev. Stat. 1985, ch. 124, par. 24); and
- 2) An affirmation form signed by the authorized agent for the corporation, school district, or special education cooperative.
- c) Specific certification forms for corporations, school districts and special education cooperatives are available at all vehicle service facilities, or call toll free 1-800-432-9980.

(Source: Added at 12 Ill. Reg. 8448, effective May 2, 1988)

Section 1100.10 Special Decals for Handicapped Parking

- a) The special decals issued by state and local authorities according to the provisions of Section 11-1301.2 of the Illinois Vehicle Code (I.V.C.) shall be the following size, color, design, duration, and placement.
 - 1) Size: 8 1/2 inches by 7 inches.
 - 2) Color: Orange background, black lettering (permanent card).
 - 3) Green background, black lettering (temporary card).
- b) Design and Placement and Manufacturing
 - A) The front of the decal shall bear the words "handicapped parking" in bold capital letters and the back of the decal shall bear the following words: "The owner of this card is authorized to park in spaces designated for use by handicapped individuals. The vehicle displaying this card is entitled to all the privileges that would be afforded a handicapped licensed vehicle (Ill. Rev. Stat. ch. 95 1/2, par. 3-616)." On the front of the decal shall be printed the permit number and the expiration date. There shall also appear on the front of the decal the international wheelchair symbol. The Secretary of State's name and the State seal shall not appear on locally issued cards/decals. These decals shall reflect the issuing agency's name and logo.
 - B) The decal owner's name and the definition of "handicapped" as defined in Ill. Rev. Stat. 1985, ch. 95 1/2, par. 1-159.1, shall be printed on the back of the decal. The back of the decal shall also advise that the decal is issued for the benefit of persons meeting the definition of "handicapped person" and shall warn, in bold capital letters, that misuse of the handicapped parking decal can result in revocation of the decal. The back of the decal shall also contain instructions as to the proper display and placement. When the vehicle is parked in a handicapped parking space the decal must be prominently displayed on the dashboard or attached to the visor and visible through the front windshield. Instructions for securing a lost or

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stolen Secretary of State decal will also be included (write to Non-standard Plates Section, Centennial Building, Springfield, Illinois 62756).

- C) No individual or company may duplicate the handicapped parking decals or the municipalities or the Secretary of State's Office. If a person has a municipally issued handicapped parking decal, the person must be aware that municipality should be included for replacement of a lost or stolen decal.

D) The quality or grade of material used for the decal shall be comparable to or better than 110 pound index stock.

- 4) Duration of the Temporary Decal: Temporary decals provided by the Secretary of State shall be issued to individuals whose disability is temporary in nature, but has a duration of at least 12 months. The maximum time period for which a temporary decal is issued shall not exceed 24 months, and this time period shall be based upon the certifying physician's estimate of the duration of the disability. Recertification of disability is required upon application for renewal.

- 5) Duration of the Permanent Decal: The permanent decal shall expire every four years beginning with the date of 30-1196 expiration date. Recertification of the permanent decal is required every four years. Recertification of the permanent handicap may not be required upon the renewal of the permanent decal. However, the Secretary of State may require recertification if any written evidence exists (e.g. statements from police, family members, or physicians) that the person may not qualify for a permanent decal.

- b) Local governing authorities will not be required to conform to the new size, color, design and placement until the effective date of this revised rule. Nonconforming decals issued prior to that date by local governing authorities shall remain valid until the issuing local government authorities states otherwise.

- c) The vehicle in which the handicapped parking decal is displayed need not bear Illinois registration plates. However, the vehicle's registration plates must be valid and issued in accordance with the individual's ruling state/jurisdiction.

(Source: Amended at 12 Ill. Reg. 8448, effective May 2, 1988)

Section 1100.20 Corporations, School Districts, and Special Education Cooperatives

- a) Corporations, school districts, and special education cooperatives which transport permanently handicapped persons may apply for either a handicapped license plate and/or decal providing the corporation, school district and special education cooperative is not in violation of Sections 1-142.1, 8-101 and 8-101.1 of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, pars. 1-142.1, 8-101, and 8-101.1)

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and Section 3-412(j) of the Illinois Vehicle Title and Registration Law (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 3-412(j)). A copy of the corporate charter shall be submitted to the Secretary of State. If a vehicle is used to transport handicapped persons for compensation, appropriate plates must be issued in accordance with the sections of the Illinois Vehicle Code as cited above.

- b) The vehicle must be used primarily (more than 60% of the time) for the transportation of permanently handicapped persons to be registered with a handicapped license plate. If the vehicle is used only occasionally for the transportation of handicapped person(s), the decal shall be used.

- c) Duration of the decal: The permanent decal shall expire every four years beginning with the June 30, 1986, expiration date. No affirmation of the transportation of the permanently handicapped shall not be required upon the renewal of the permanent decal and/or plate. However, the Secretary of State shall require reaffirmation if any evidence exists (e.g. statements from police, employees, or witnesses) that the corporation, school district, or special education cooperative does not qualify for a permanent decal(s).

(Source: Added at 12 Ill. Reg. 8449, effective May 2, 1988)

Section 1100.30 Revocation of Plates and Decals

- a) Handicapped license plates and decals shall be revoked if determined to be issued to a person who is not handicapped or determined to be used in an unlawful manner (in violation of Sections 11-1301.1 and 11-1301.3 of the Illinois Rules of the Road of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, pars. 11-1301.1 and 11-1301.3)).

- b) Upon receipt of a written complaint that a handicapped license plate or decal is being used by a non-handicapped person, the Secretary of State will attempt to verify the license plate or decal owner's eligibility for the plate or decal.

- c) In determining eligibility, the Secretary of State will notify the license plate or decal owner that the complaint has been received regarding misuse of the license plate or decal. The Secretary shall certify that the license plate or decal owner submit an up-dated certification of eligibility. The license plate or decal shall be defined by Section 1-159.1 of the Illinois Vehicle Code (Ill. Rev. Stat. 1985, ch. 95 1/2, par. 1-159.1) and 92 Ill. Adm. Code 1100.5 and therefore eligible for the license plate or decal.

- 1) If the physician chosen by the license plate or decal owner indicates on the certification form or otherwise in writing that the owner is not handicapped, the license plate and/or decal will be revoked.

- 2) If the physician indicates the handicap is temporary in nature, not permanent, the license plate and/or permanent decal will be

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Deputy General Counsel
Room 288, Howlett Building
Springfield, IL 62756
217/782-2152

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not-for-profit corporations affected: This rulemaking will not have any effect upon small businesses.
- B) Reporting, bookkeeping or other procedures required for compliance:
N/A
- C) Types of professional skills necessary for compliance: N/A
- 13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: it is implementing a new Public Act.

The full text of the proposed rules begins on the next page:

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NOTICE OF PROPOSED RULES(S)
TITLE 92: TRANSPORTATION
CHAPTER II: SECRETARY OF STATE

PART 1100
RULES OF THE ROAD - HANDICAPPED PARKING

Section	Definitions
1100.5	Application Procedures for Plates and Decals or Devices
1100.10	Authorized Issuing Agents for Person-with-Disabilities Parking Decals or Devices
1100.15	Person-with-Disabilities Parking Decals or Devices
1100.20	Random Physician License Number Checks with the Department of Professional Regulation
1100.25	Corporations, School Districts, and Special Education Cooperatives
1100.30	Revocation of Plates and Decals or Devices
1100.35	Revocation Authority for Plates and Decals or Devices
1100.40	Revocation Authority for Plates and Decals or Devices

AUTHORITY: Implementing and authorized by Section 3-616 of the Illinois Vehicle Title and Registration Law and Section 11-1301.2 of the Illinois Rules of the Road 1625 ILCS 5/3-616 and 11-1301.2].

SOURCE: Adopted at 4 Ill. Reg. 11, p. 74, effective February 29, 1980; codified at 6 Ill. Reg. 12703; amended at 9 Ill. Reg. 12668, effective August 2, 1985; amended at 12 Ill. Reg. 8448, effective May 2, 1988; old Part repealed at 21 Ill. Reg. _____, effective _____; new Part adopted at 21 Ill. Reg. _____, effective _____.

Section 1100.5 Definitions

"Affirmation by an authorized agent" means the agent for said corporation, school district or special education cooperative attests that the individuals being transported are qualified under 625 ILCS 5/1-159.1 and are permanently disabled (i.e., indefinitely subject to a physical disability or a developmental disability as defined in Section 4A(a) of the Illinois Identification Card Act).

"Authorized holder" means an individual issued a person-with-disabilities license plate under 625 ILCS 5/3-616 or an individual issued a person-with-disabilities parking decal or device under 625 ILCS 5/11-1301.2.

"Blindness", in accordance with the Section 24A(a) of the Illinois Identification Card Act, means a visual disability resulting in complete absence of vision, or vision that with corrective glasses is so defective as to prevent performance of tasks or activities for which eyesight is essential for the purposes of the disabled program.

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"Certification by a licensed physician", as required by 625 ILCS 5/3-615(a), means a statement by a licensed medical doctor, affirming that the applicant for a person-with-disabilities parking plate or decal or device is a disabled person in accordance with 625 ILCS 5/1-159.1.

"Decal or device" means a card described in Section 1100.10(a) which, when displayed in a vehicle, authorizes the parking of the vehicle in parking spaces reserved for the disabled, and authorizes other parking privileges as outlined in 625 ILCS 5/11-1301.1. "Decal or device" does not mean a sticker with adhesive backing which is permanently affixed to the vehicle.

"False information" means any incorrect or inaccurate information concerning the name, date of birth, social security number, driver's license number, physician certification, or any other information required on the application for a person-with-disabilities license plate or parking decal or device that falsifies the content of the application.

"Fictitious person-with-disabilities license plate or parking decal or device" means any person-with-disabilities license plate or parking decal or device which has been issued by the Secretary of State or authorized unit of local government which was issued based upon false information contained on the required application.

"Fraudulent person-with-disabilities license plate or parking decal or device" means any person-with-disabilities license plate or parking decal or device which purports to be an official person-with-disabilities license plate or parking decal or device and has not been issued by the Secretary of State or an authorized unit of local government.

"Person with disabilities" means a natural person who, as determined by a licensed physician: cannot walk 200 feet without stopping to rest; cannot walk without the use of, or assistance from, a brace, cane, crutch, another person, prosthetic device, wheelchair, or other assistive device; is restricted by lung disease to such an extent that his or her forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter, or the arterial oxygen tension is less than 60 mmhg on room air at rest; uses portable oxygen; has a cardiac condition to the extent that the person's functional limitations are classified in severity as Class III or Class IV, according to standards set by the American Heart Association; or is severely limited in the person's ability to walk due to an arthritic, neurological, or orthopedic condition.

"Temporary disability" means a disability that lasts up to six months

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and is not permanent in nature.

"Unlawfully altered person-with-disabilities license plate or parking decal or device" means any person-with-disabilities license plate or parking decal or device that has been altered or changed by an unauthorized unit of local government which has been physically altered or changed in such a manner that false information, which may include but shall not be limited to incorrect expiration date or incorrect decal or device number, appears on the license plate or parking decal or device.

"While the person with disabilities is present," as that term is used in 625 ILCS 5/11-1301.1, means that the person with disabilities must either exit or enter the vehicle while the vehicle is parked in a designated person-with-disabilities parking area or in an area where parking meter time restrictions are waived. In other words, an able-bodied driver cannot drop off the person with disabilities at the entrance to a facility, park in a person-with-disabilities parking space, and then return to pick up the person with disabilities.

Section 1100.10 Application Procedures for Plates and Decals or Devices

a) If a person wishes to apply for a person-with-disabilities license plate, he/she must be resident of the State of Illinois and shall submit the following to the Secretary of State:

- 1) The physician's certification on a form prescribed by the Secretary of State completed by the physician and the applicant;
- 2) The current registration card or a copy of the title if the vehicle is registered in the applicant's name or the title or the manufacturer's certificate of origin if the vehicle is not registered in the applicant's name; and
- 3) The application form prescribed by the Secretary of State and a fee of \$10.00 for the application fee, in accordance with 625 ILCS 5/3-906 of the Illinois Vehicle Code (625 ILCS 5/3-806).

b) If a person wishes to apply for a person-with-disabilities parking decal or device, he/she must be a resident of the State of Illinois and shall submit the following to the Secretary of State or authorized unit of local government:

- 1) The physician's certification form completed by the physician and applicant unless the person has been issued a disabled veteran or person-with-disabilities license and has a certification form on file or the person has an Illinois Disabled Person's ID card with a la or 2a classification as provided in Section 24 of the Illinois Identification Card Act; or
- 2) A copy of the individual's State of Illinois identification card, a disabled veteran's identification card, or State of person-with-disabilities identification card, or State of

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Illinois Driver's License. In the case of a person with disabilities who is under the age of 18, the identification card number of the minor's parent or legal guardian may be submitted.

- c) The physician certification form shall contain the following items:
 - 1) The definition of a "person with disabilities" as outlined in 625 ILCS 5/1-139.1 and contained in Section 1100.25; Issuing disability;
 - 2) An indication from the physician as to whether the disability is permanent or temporary. If temporary, the physician shall also indicate the anticipated duration of the disability (not to exceed 6 months);
 - 3) The certifying physician's name, address, telephone number, physician's license number, and signature;
 - 4) The applicant's name, address, telephone number, social security number, and driver's license number or State identification number;
 - 5) The vehicle identification number and license plate number for the one or two primary vehicles used to transport the person with disabilities; and
 - 6) The name, address, phone number, relationship to the disabled individual, and signature of the family member who the physician certifies that the person with disabilities relies for his/her mode of transportation; and that he/she does not own a vehicle in his/her name, if the vehicle is not owned by the applicant having the disability.

Section 1100.15 Authorized Issuing Agents for Person-with-Disabilities Parking Decals or Devices

- a) Person-with-disabilities permanent parking decals or devices--The Office of the Secretary of State shall be the only authorized agent to issue person-with-disabilities permanent parking decals or devices.

- b) Person-with-disabilities temporary parking decals or devices may be issued by:
 - 1) Units of local government following the guidelines established by the Illinois Vehicle Code and this Code; or
 - 2) The Office of the Secretary of State.

Section 1100.20 Person-with-Disabilities Parking Decals or Devices

- a) The decals or devices issued by State and local authorities according to the provisions of 625 ILCS 5/1-1301.2 shall be the following size, color, design, duration, and placement.
 - 1) Size--3" x 9 1/2"
 - 2) Color--Permanent and temporary decals or devices shall be of differing distinctive and contrasting colors.
 - 3) Design, Placement, Manufacturing--The decal or device shall contain the international symbol of access, the registration

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number for the decal or device, the expiration date of the decal or device, and the name of the issuing agent. Decals shall be placed on the rearview mirror of the vehicle while the vehicle is parked in the person-with-disabilities parking space or metered space and removed when the vehicle is in motion. If the person is incapable of his/her physical disability, the decal or device may be placed on the dashboard of the car in clear view.

- 4) Duration of the Temporary Decal or Device--Secretary of State Issue: Temporary decals or devices provided by the Secretary of State shall be issued to individuals whose disability is temporary in nature. The temporary decal or device shall be issued for the time specified by the physician certification, but shall not exceed six months. Recertification of disability is required upon application for renewal.
- 5) Duration of Temporary Decal or Device--Unit of Local Government Issue: Temporary decals or devices provided by units of local government shall be issued to individuals whose disability is permanent in nature. The temporary decal or device shall be issued for the time specified by the physician certification, but shall not exceed 90 days. Recertification of disability is required upon application for renewal.
- 6) Duration of Permanent Decal: The permanent decals or devices issued prior to January 1, 1998 shall expire June 30, 1998. The permanent decals or devices issued on or after January 1, 1998 shall expire every four years beginning with the April 30, 2002 expiration date. A physician's certification of the permanent disability is required beginning with renewal of permanent decals or devices set to expire June 30, 1998.
- b) The vehicle in which the disabled parking decal or device is displayed need not bear Illinois registration plates. However, the vehicle's registration plates must be valid and issued in accordance with the individual's ruling state/jurisdiction.

Section 1100.25 Random Physician License Number Checks with the Department of Professional Regulation

- a) At least once every six months, the Secretary of State shall pull at random applications for person-with-disabilities license plates or decals or devices. DPR shall verify that the name of the physician listed certifying to the disability matches the licensing number listed on the application form, and that the physician is licensed by DPR under that licensure number. DPR shall notify the Secretary of State of the results of the match.
- b) In the instance that DPR finds that a physician is not licensed by DPR under the licensure number listed on the application, the Secretary of State shall begin proceedings for the revocation of plates or decals

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or devices outlined in Section 1100.35 of this Part. (92 Ill. Adm. Code 1100)

Section 1100.30 Corporations, School Districts, and Special Education Cooperatives

- Corporations, school districts and special education cooperatives may apply for either a person-with-disabilities license plate and/or decal or a person-with-disabilities license plate and/or decal with a special education cooperative is not already registered under 625 ILCS 5/1-142.1, 8-101, 8-101.1 and 3-412(J). A copy of the corporate charter shall be submitted to the Secretary of State. If a vehicle is used to transport persons with disabilities for compensation, appropriate plates must be issued in accordance with the Sections of the Illinois Vehicle Code cited above.
- The vehicle must be used primarily (more than 60% of the time) for the transportation of permanently disabled persons to be registered with a person-with-disabilities license plate. If the vehicle is used only occasionally for the transportation of persons with disabilities, a decal or device shall be used.
- Duration of the decal or device: The permanent decals or devices issued prior to January 1, 1998 shall expire June 30, 1998. The permanent decals or devices issued on or after January 1, 1998 shall expire every four years beginning with the April 30, 2002 registration date. An affirmation of the transportation of the persons with permanent disabilities shall be required upon the renewal of the permanent decal or device and/or plate.

Section 1100.35 Revocation of Plates and Decals or Devices

- Upon receipt of a written complaint that a person-with-disabilities plate or decal or device is being used by a non-disabled person, the Secretary of State shall attempt to verify the license plate or decal or device owner's eligibility for the plate or decal or device.
- In determining eligibility, the Secretary of State shall notify the license plate or decal or device owner that the complaint has been received and may cause the license plate or decal or device to be expired until the owner has submitted an affidavit of eligibility. The Secretary shall also cause the license plate or decal or device owner to submit an updated certification by a physician that the owner is disabled as defined by 625 ILCS 5/1-159.1 and Section 1100.5 of this Part.
- If the physician chosen by the license plate/decal or device owner indicates on the certification form that the owner does not have a qualifying disability, the person-with-disabilities license plate and/or decal or device shall be revoked in accordance with 625 ILCS 5/3-704(11).
- If the physician indicates that the disability is temporary in nature, not permanent, the license plate and/or permanent decal

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- device shall be revoked in accordance with 625 ILCS 5/3-704(11). Upon revocation of the permanent decal or device, a temporary decal or device shall be issued according to the guidelines outlined in Section 1100.20 above.
- If the physician affirms that the individual has a permanent qualifying disability, no revocation action shall be taken.
- If a person-with-disabilities license plate is revoked in accordance with 625 ILCS 5/3-704(11), a passenger plate (or other appropriate license plate) shall be issued.
- Any person whose person-with-disabilities parking plate or decal is revoked in accordance with 625 ILCS 5/3-704(11) may request a hearing to be conducted pursuant to 92 Ill. Adm. Code 1001, Subpart A or Subpart C, as the person may choose.

Section 1100.40 Revocation Authority for Plates and Decals or Devices

- Under authority granted in 625 ILCS 5/3-704(11), person-with-disabilities license plates and decals or devices shall be revoked if determined to be issued to a person who is not disabled or determined to be used in an unlawful manner as outlined in 625 ILCS 5/1-1301.5 or 11-1301.6.
- The sources of acceptable proof of a person not being disabled are the physician or the failure of an individual to obtain certification from a licensed physician that the person has a qualifying disability.
- The sources of acceptable proof of the offenses described in subsection (a) above are court documents, Department of Vehicle Services applications, Driver Services facility applications, government entity documents, and law enforcement correspondence/reports.

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: The Administration and Operation of the State Employees' Retirement System of Illinois
- 2) Code Citation: 80 Ill. Adm. Code 1540
- 3) Section Numbers: 1540.140
1540.250
1540.255
- Proposed Action:
Amendment
New Section
- 4) Statutory Authority: 40 ILCS 5/14-104.7, 14-118, 14-119, 14-120, 14-121, 14-131.1 and 14-135.03 and P.A. 90-448
- 5) A Complete Description of the Subjects and Issues Involved: P.A. 90-448 which was signed by Governor Edgar on August 16, 1997 changes the State Employees' Retirement System's widow and survivors benefit to allow payment to a child under the age of 22 who is a full-time student. Prior to P.A. 90-448 the widows and survivors benefit was terminated at age 18, regardless of the child's student status. Section 1540.140 "Removal of Children from Care of Surviving Spouse" has been amended to allow for the payment of this benefit.

P.A. 90-448 also amended the State Withholding Act and the Retirement Act to provide for a method so that contributions made to purchase optional service credit or repayment of prior refunds can be made on a pre-tax basis through payroll deductions. The amendments made to Sections 1540.250 "Credit for Contributions" and 1540.255 "Option for Optional Service Contributions" has been added so that procedures can be established to allow for these payments from State payrolls on a pre-tax basis.

- 6) Will this proposed rule replace an emergency rule currently in effect? Yes

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Does this proposed amendment contain incorporations by reference? No

- 9) Are there any other proposed amendments pending on this Part? No

- 10) Statement of Statewide Policy Objectives: None

- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments should be submitted in writing within 45 days after the proposed rules are published in the Illinois Register and should be directed to:

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
NOTICE OF PROPOSED AMENDMENTS

Michael L. Mory
Executive Secretary
State Employees' Retirement System of Illinois
P.O. Box 19255 - 2101 South Veterans Parkway
Springfield, IL 62794-9255
217/785-7444

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Recounting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: This amendment was not anticipated when the most recent regulatory agenda was filed.

The full text of the Proposed Amendments is identical to the text of the Emergency Amendments which appears in this issue of the Register on page

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENTS

- 1) **Heading of the Part:** Purchase of Service
- 2) **Code Citation:** 89 Ill. Adm. Code 357
- 3) **Section Numbers:**

357.1	Renumber	Proposed Action:
357.2	Renumber	
357.3	Renumber	
357.4	Renumber	
357.5	Renumber	
357.6	Renumber	
357.7	Renumber	
357.8	Renumber	
357.9	Renumber	
357.10	Renumber, Amend	
357.11	Renumber	
357.12	Renumber	
357.13	Renumber	
357.20	New	
357.30	Renumber, Amend	
357.40	Renumber, Amend	
357.50	Renumber, Amend	
357.60	Renumber	
357.70	Renumber	
357.80	Renumber	
357.90	Renumber	
357.100	Renumber, Amend	
357.110	Renumber	
357.120	Renumber, Amend	
357.130	Renumber, Amend	
357.140	Renumber	
- 4) **Statutory Authority:** The Children and Family Services Act [20 ILCS 505]
- 5) **Effective Date of Amendments:** October 1, 1997
- 6) **Does this rulemaking contain an automatic renewal date?** No
- 7) **Do these amendments contain incorporations by reference?** Yes
- 8) **Date filed in Agency's Principal Office:** October 1, 1997
- 9) **Notice of Proposal Published in Illinois Register:** December 6, 1996, 20 Ill. Reg. 15413
- 10) **Has JCPR issued a Statement of Objections to these rules?** No
- 11) **Difference between Proposal and final version:** Minor editing changes were

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- made in accordance with the recommendations from the Joint Committee on Administrative Rules.
- Additional changes were made in response to public comment and/or Department decisions.
- Section 357.30 Purchase of Day Care Services**
Added a check of the Statewide Child Sex Offender Registry for in-home day caregivers, license exempt day care providers and assistants, and all adult members of the household in which a day care home exempt from licensing operates.
- Section 357.120 Fiscal Reports and Records**
Deleted references to day care providers who receive Local Effort or Donated Initiative funds. These programs have been transferred to the Department of Human Services.
- 12) Have all changes urged upon by the agency and JCPR been made as indicated in the agreement letter issued by JCPR? Yes
- 13) Will these proposed amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this part? No
- 15) **Summary and Purpose of These Adopted Amendments:** The Department is adding a new Section to its purchase of services rules to require background checks on persons who provide day care services to children and family members. In whole or in part, by the Department of Children and Family Services. The background check required by this Section includes a check of the Child Abuse and Neglect Tracking System (CANTS), the Statewide Child Sex Offender Register, and authorization to conduct a criminal history background check. The Department will conduct a criminal history background check on all persons who indicate they have been convicted of other than a minor traffic violation and a random sample of all other individuals subject to a background check.
In addition, the Department clarified its audit requirement for day care providers and deleted references to day care programs that have been transferred to the Department of Human Services.
- 16) **Information and Questions regarding these adopted amendments shall be directed to:**
Jacqueline Nottingham, Chief
Office of Rules and Procedures

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENTS

Department of Children and Family Services
 406 East Monroe Street, Station #65
 Springfield, IL 62701-1498
 (217) 524-1993
 TDD: (217) 524-3715

The full text of the adopted rules begins on the next page:

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENTS

TITLE 89: SOCIAL SERVICES
 CHAPTER III: DEPARTMENT OF CHILDREN AND FAMILY SERVICES
 SUBCHAPTER C: FISCAL ADMINISTRATION

PART 357

PURCHASE OF SERVICES

Section	
357.1	Purpose (Renumbered)
357.2	Definitions (Renumbered)
357.3	Procuring Services (Renumbered)
357.4	Issuance of Requests for Proposals (Renumbered)
357.5	Content of Requests for Proposals (Renumbered)
357.6	Evaluation of Proposals (Renumbered)
357.7	Notification of Awards (Renumbered)
357.8	Disclosure of Proposals (Renumbered)
357.9	Contract Approval (Renumbered)
357.10	Compliance During the Contract Period
357.11	Fiscal Reports and Records (Renumbered)
357.12	Required Documentation (Renumbered)
357.13	Contract Termination (Renumbered)
357.20	Definitions
357.30	Purchase of Day Care Services
357.40	Procuring Services
357.50	Issuance of Requests for Proposals
357.60	Content of Requests for Proposals
357.70	Evaluation of Proposals
357.80	Notification of Awards
357.90	Disclosure of Proposals
357.100	Contract Approval
357.110	Compliance During the Contract Period
357.120	Fiscal Reports and Records
357.130	Required Documentation
357.140	Contract Termination

AUTHORITY: Implementing 42 CFR 431 and authorized by Section 5 of the Department of Children and Family Services Act (20 ILCS 505).

SOURCE: Adopted and codified at 5 Ill. Reg. 14546, effective December 29, 1981; amended at 6 Ill. Reg. 9294, effective July 26, 1982; amended at 8 Ill. Reg. 12127, effective July 13, 1984; amended at 9 Ill. Reg. 11292, effective July 15, 1985; amended at 13 Ill. Reg. 3344, effective March 1, 1989; amended at 21 Ill. Reg. 13159, effective 12/1/91.

Section 357.1 Purpose (Renumbered)

(Source: Renumbered to Section 357.10 at 21 Ill. Reg. effective 06/1/90.)

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DEPARTMENT OF CHILDREN AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENTS

Section 357.2 Definitions (Renumbered)

(Source: Renumbered to Section 357.20 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.3 Procuring Services (Renumbered)

(Source: Renumbered to Section 357.40 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.4 Issuance of Requests for Proposals (Renumbered)

(Source: Renumbered to Section 357.50 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.5 Content of Requests for Proposals (Renumbered)

(Source: Renumbered to Section 357.60 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.6 Evaluation of Proposals (Renumbered)

(Source: Renumbered to Section 357.70 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.7 Notification of Awards (Renumbered)

(Source: Renumbered to Section 357.80 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.8 Disclosure of Proposals (Renumbered)

(Source: Renumbered to Section 357.90 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.9 Contract Approval (Renumbered)

(Source: Renumbered to Section 357.100 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.10 Purpose Compliance—During the Contract-Period

The purpose of this Part is to explain how the Department purchases professional services on behalf of the children and families in care and what the Department requires from a purchase of service provider. This Part does not apply to the goods and services governed by the standard procurement rules of the Department of Central Management Services.

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENTS

(Source: Old Section 357.10 renumbered to Section 357.110 and new Section 357.10 renumbered from Section 357.1 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.11 Fiscal Reports and Records (Renumbered)

(Source: Renumbered to Section 357.120 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.12 Required Documentation (Renumbered)

(Source: Renumbered to Section 357.130 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.13 Contract Termination (Renumbered)

(Source: Renumbered to Section 357.140 at 21 Ill. Reg. 13150, effective 01/13/2013.)

Section 357.20 Definitions

"Adult" means a person age 18 and older.

"Department", as used in this Part, means the Illinois Department of Children and Family Services.

"Equal proposals for family preservation services" means proposals received by the Department which are assigned, after review, the same level of evaluation and awarded the services to be provided are equal pursuant to the requirements of Section 357.70 3576.

"Legal child care arrangement" means child care is being provided in a licensed child care facility, in a child care facility which is exempt from licensing, or in the child's own home.

"Minor traffic violation" means a traffic violation under the laws of the State of Illinois or any municipal authority therein or another state or municipal authority which is punishable solely by fines as a petty offense. (See Section 6-60 of the Illinois Driver License Law 1625 ICS 5/6-601.)

"Negotiated contract" means a written contract with an agency or individual to provide needed child welfare services which contract is not competitively bid, but rather is mutually agreed upon with a provider. Use of such contracts is further described in Section 357.40 3579.

"New service initiatives" means services which heretofore have not

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

NOTICE OF ADOPTED AMENDMENTS

been provided by or purchased by the Department in the State or in a specific geographical area of the state.

"Professional services" as used in this Part means child welfare services as defined in Department Rules, 89 Ill. Adm. Code 3024. Service delivered by the Department, and youth services as defined below.

"Program plan" means that part of the purchase of service contract which explains in detail who will be served, where and how they will be served and what outcomes are expected from the service.

"Purchase of service provider" means an agency or individual offering services to a Department client through a signed contract with the Department. As used in this Part the term does not include grants-in-aid which are awarded pursuant to 89 Ill. Adm. Code 360, Grants-in-Aid.

"Requests for proposals" (RFPs RFP-s) means a form of invitation to bid which the Department uses to obtain professional services. The RFP explains the purpose, outlines the scope of the work and solicits proposals from individuals or organizations for the funding of services for certain initiatives or projects undertaken by the Department.

"Statewide Child Sex Offender Registry" means the registry of felony child sex offenders operated and maintained by the Illinois State Police.

"Youth services" include but are not limited to community services, primary prevention, outreach and recreational opportunities, including the use of indigenous community volunteers to provide programs designed to correct conditions contributing to delinquency; diversion services, including client advocacy, family counseling, employment and educational assistance and service brokerage; and emergency services, including 24-hour crisis intervention and shelter care services. Youth services are further defined in 89 Ill. Adm. Code 310. Delivery of youth services funded by the Department.

(Source: Recumbered from Section 357.2 and amended at 21 Ill. Reg. 1001.1001, effective 10/11/99.)

Section 357.30 Purchase of Day Care Services

- a) The Department may purchase day care services for an eligible child in any legal child care arrangement including, but not limited to, licensed day care facilities, facilities exempt from licensure, and relatives and individuals who provide care in the children's homes.

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- b) As a condition of receiving payment for day care services from the Department, each in-home day caregiver, license exempt day care provider, and assistant, and all adult members of the household in which a day care home exempt from licensure operates shall:
 - 1) complete and submit to the Department on a form prescribed by the Department a certification under penalty of perjury whether the caregiver has been convicted of a crime, other than a minor traffic violation, and has been indicated as a perpetrator of child abuse and neglect; and
 - 2) complete and submit to the Department an authorization for a background check which may include, solely at the discretion of the Department, a criminal history check, a check of the Child Abuse and Neglect Tracking System (CANTS), and a check of the Statewide Child Sex Offender Registry; and
 - 3) if requested, submit his or her fingerprints to the Department within 30 days after the Department's written request for such fingerprints.

c) The Department shall conduct a check of the Child Abuse and Neglect Tracking System and the Statewide Child Sex Offender Registry on all individuals in subsection (b) of this Section when:

- 1) care is being given to a child for whom the Department is legally responsible;
- 2) a child is a member of an intact family which is receiving Department services; or
- 3) background checks are provided in subsection (b) of this Section for one of the individuals required to complete the authorization for background checks as provided in subsection (b) of this Section acknowledges that he or she has been indicated as a perpetrator of child abuse or neglect.

d) The Department shall conduct a check of the Child Abuse and Neglect Tracking System and the Statewide Child Sex Offender Registry on a random basis for all other individuals required to complete the authorization for background checks in subsection (b) of this Section.

e) The Department shall send a notice to the individuals in subsection (b) of this Section requiring them to submit to fingerprinting whenever the Department determines that he or she has been convicted of a crime, other than a minor traffic violation, as defined in Section 357.20.

f) The Department may, in its sole discretion and on a random basis, require fingerprints of not more than 1% of all other individuals in subsection (b) of this Section and submit the fingerprints to the Illinois State Police.

- g) Authorization for payment for day care services shall be denied or withdrawn whenever an individual in subsection (b) of this Section:
 - 1) failed or refused to submit the authorization for background checks and fingerprints (if requested), as required by subsection (b) of this Section; or
 - 2) is found to have been convicted of any of the criminal acts

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listed in Appendix A of 89 Ill. Adm. Code 385, Background Checks, indicated as the perpetrator of child abuse or neglect which bar licensure under Part 385, or listed in the Statewide Child Sex Offender Registry.

h) In addition, if the Department learns one of the individuals in subsection (b) of this Section has falsified information on the certification form, the Department may deny or withdraw authorization for payment for day care services to that provider.

(Source: Added at 21 III. Reg. 131.9). effective

Section 357.40 Procuring Services

a) The Department procures professional child welfare and youth services by means of negotiated contracts and competitively bid contracts.

b) Negotiated contracts are used in the following circumstances:

1) When the nature of the service is such that it can only be obtained from a single service provider.

2) When, in the opinion of the Department, maintenance of ongoing established services is necessary to ensure the continuity of care and assistance to children, youth and families served by the Department.

3) when, in the opinion of the Department, an emergency exists and the urgency for the service will not allow time for preparing requests for proposals.

4) When the Department is not required to use competitive bidding by statute or by the provisions of subsection (c)(1) below:

c) Although the professional services governed by this Part are exempt from the competitive bidding procedures of the Illinois Purchasing Act [30 ILCS 505] ([http://www.statutes.legis.gov/2005/acts/030/030-0005051.htm#sec7](#)) applied to the goods and services governed by the standard procurement rules of the Department of Central Management Services, the Department nevertheless recognizes the value of competition and therefore issues Request for Proposals (RFPs RFP2-*) in the following situations:

- 1) The Department shall issue a RFP for all new service initiatives over \$25,000 except where the RFP is required by Federal regulations such as 45 CFR 74. The Director shall waive the RFP requirement when a determination is made that an emergency exists. An emergency shall include, but not be limited to, the following situations:

A) When the service initiative is immediately needed to prevent interruption in services to current clients, or

B) The service initiative is immediately needed to assure the clients' health and welfare.

2) In addition, the Department shall issue RFPs RFPs for service contracts (except for substitute care and day care) over \$50,000 at least once every six years. However, comprehensive

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community-based youth services provided through local boards of community-based systems shall be reviewed once every four years in accordance with §§ 89.11, Adm. Code 334, Administration and Funding of Community-Based Systems to Youth. When requests for proposals are issued, purchase of service providers shall submit a response in accordance with the RFP in order to be considered for contracts for the fiscal year specified. When an RFP is not required, subsequent contracts may be negotiated and renewed at the department's discretion without recourse to a RFP. The department will review such contracts in order to determine that the department is providing effective services which meet the needs of the department's clients.

3) when equal proposals for family preservation services have been submitted to the Department, not-for-profit corporations are to be given preference over for-profit corporations.

(Source: Renumbered from Section 357.3 and amended at 21 Ill. Reg. 1008.00, effective 10/1/90.)

Section 357.50 Issuance of Requests for Proposals

The Department shall ensure that RF2s RF2s are issued to current purchase order service contractors and issued in such a manner that the development of needed new services will be encouraged and that new purchase of service providers will be encouraged to submit proposals. RF2s RF2s shall be advertised in the Official Newspaper in the State of Illinois as designated by the Department of Central Manager Services or a local newspaper serving the geographical area in which the RF2s RF2s are issued. The Department shall also maintain a list of potential bidders for RF2s RF2s and shall allow a minimum of 30 days to respond to RF2s RF2s shall be allowed.

(Source: Renumbered from Section 357.4 and amended at 21 Ill. Reg. 10100, effective 10/1/00.)

Section 357.60 Content of Requests for Proposals

a) Requests for proposals will be in writing and contain the necessary information to enable a prospective provider to prepare a proposal.

The RFP shall include:

- 1) A description of the work to be performed.

2) The submission process.

3) The review process.

4) General contract and bid information.

5) Date, time and address of bidders' conference when applicable.

5) Date, time and address of bid.

6) The Department contact person.

- a) the department contact person.
- b) Requests for proposals will inform prospective providers of all evaluation factors and of the relative importance attached to each

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criterion.

(Source: Renumbered from Section 357.5 at 21 Ill. Reg. 13150, effective 10/1/1997.)

Section 357.70 Evaluation of Proposals

When deciding which applicant shall be awarded a contract, the Department shall consider the following factors:

- The type of services to be provided as described in the RFP;
- The target population for which their services are intended as described in the RFP;
- The experience and ability of the provider's staff as described in the RFP;
- The cost-effectiveness of the program;
- The acceptability of the service delivery model as described in the RFP; and
- The need for the service in that geographical area.

(Source: Renumbered from Section 357.6 at 21 Ill. Reg. 13150, effective 10/1/1997.)

Section 357.80 Notification of Awards

- After the evaluation of proposals has been completed, the Department will notify in writing the applicant(s) selected as well as those not selected.

- Upon written request of an unsuccessful applicant, the Department will describe the reasons for rejection.

(Source: Renumbered from Section 357.7 at 21 Ill. Reg. 13150, effective 10/1/1997.)

Section 357.90 Disclosure of Proposals

All proposals received pursuant to a request for proposal become the property of the Department.

(Source: Renumbered from Section 357.8 at 21 Ill. Reg. 13150, effective 10/1/1997.)

Section 357.100 Contract Approval

Federal and State regulations authorize the Illinois Department of Children and Family Services to purchase service and care for eligible children and families from purchase of service providers. Purchase of service providers shall meet the following prerequisites before a contract is approved:

- When licensure is required to provide the service, the purchase of

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service provider has obtained the necessary license or permit from the appropriate licensing authority to provide the specified services throughout the contract period.

- For residential foster care, provider contracts and day care contracts shall contain the following information submitted by the provider: program plan which specifies and contains the following:
 - the type and extent of services which will be provided;
 - the number of individual and/or family clients which may be served, and the number of hours or the number of days for which services are provided may be used to define the extent of services;
 - the number and types of staff available to provide the specified services;
 - the clientele for whom the services were designed;
 - the provisions for recordkeeping and reporting as required by Department rules or the purchase of service contract;
 - that the resources are sufficient to provide the service.

"Resources" include the following:

- facilities which are large enough to safely accommodate the intended contract clients, equipment and furniture to provide the services offered, and adequate staff; and
- health and safety regulations and Department licensing requirements;

B) staff who possess accepted professional standards of education and experience for their assignments; and

- administrative personnel with appropriate educational backgrounds and experience for their positions;

6) a clause titled "billable service" which:

- clearly defines the billable unit of services such as: hour, day, week or month;

B) stipulates whether the provider will bill for client "no shows," travel, telephone conversations, cancelled appointments, staffing and group sessions.

C) The purchase of service provider has a plan to assure that minimal staffing levels are maintained to meet the facility licensing standards, and as specified in the contract are available;

D) The purchase of service provider shall submit documentation that the total Department reimbursement for administration costs, including personnel and other fixed and variable costs for administration do not exceed 20% of the cost of other reimbursable items.

E) The current purchase of service provider has submitted evidence of financial stability for the contract period including either balance sheet data and income statement or reconciled blank balances. If the provider has been receiving contracts that in the aggregate are \$25,000 or more the balance sheet and income statement must be audited.

F) The new purchase of service provider has submitted evidence of financial stability for the contract period including either letters of credit, statements of backing, or audited financial statements.

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- 9) The purchase of service provider has submitted a budget of anticipated expenditures based on the negotiated rate maximum, if a budget is required by the contract.

(Source: Renumbered from Section 357.9 and amended at 21 Ill. Reg. 13151, effective 10/1/12)

Section 357.110 Compliance During the Contract Period

Purchase of service providers under contract to the Department must comply with Federal and State laws and regulations and Department rules. When the provider signs the purchase of service contract, this signature shall be the provider's certification of compliance with the applicable laws, regulations and rules. In addition, the Department may certify compliance by reviewing the purchase of service providers' records.

(Source: Renumbered from 357.10 at 21 Ill. Reg. 13150, effective 10/1/12)

Section 357.120 Fiscal Reports and Records

- a) Purchase of service providers shall furnish the Department with any required reports during the contract period. These reports shall detail functional expenses, revenues, and per person costs in a manner specified by the Department. Reports shall be received by the Department office responsible for contracts and grants within the time frames specified in the contract.
- b) When the contract expires or terminates prior to the end of the fiscal year, the report shall be submitted within 30 days after the expiration of the contract.
- c) Any purchase of service provider with the exception of day care providers who receives more than \$50,000 from the Department within a fiscal year shall submit a certified Independent audit using the guidelines developed by the Department. The Director or Chief Auditor of the Department shall waive audit requirements when a contract is with an individual provider and payment is not related to expenses. The Department may also request, at its sole discretion, certified audits from any purchase of service providers (including day care providers) who receive less than \$50,000 from the Department within a fiscal year to ensure compliance with Federal, State and Department requirements. The audit shall contain the following information:

- 1) an expression of the auditor's opinion on the financial statement;
- 2) a balance sheet;
- 3) a statement of revenue and expenses and changes in fund balance. This statement should specifically identify revenue received from the Department program(s). The cost of management and general Management-and-General expenses is to be shown;

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- 4) a statement of functional expenses (expenses by program) in a multiple program agency;
- 5) notes on the financial statements which include includes a note on revenues showing the total number of service units provided measured in either hours, days, weeks, or months;
- 6) reports on review of internal controls;
- 7) report on compliance; and
- 8) a management letter from the certified independent audit firm which specifies those accounting and internal control deficiencies which merit attention.

- d) Purchase of service providers shall maintain financial records for five years from the expiration of each contract. The Department shall retain the original service provider records for a period of three years for which the Department provides funding. Those records shall be kept according to the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations, a 1988 publication of the National Health Council, the National Assembly of National Voluntary Health and Social Welfare Organizations, Inc., and the United Way of America. These standards require accrual accounting. This incorporation by reference rate does not include any later amendments or editions to the previously cited publication.
- e) Reports are necessary to enable an evaluation of the costs for all providers offering the same services. Unless the Department determines that circumstances do not warrant the following action, noncompliance with fiscal reporting requirements will result in:

- 1) withholding of rate increases, if the provider does not comply with fiscal reporting requirements as specified in the contract; or
 - 2) withholding of rate increases and non-renewal of the purchase of service contract, if the provider does not comply with the end of year fiscal reporting requirements.
- f) Unless the Department determines that circumstances do not warrant the following action, failure to submit the required audit, which must be submitted within 180 days after the end of the fiscal year, will result in:
- 1) non-renewal of the purchase of service contract, or
 - 2) termination of the purchase of service contract, or
 - 3) withholding of current contract payments for services provided. Such withholding of payments will occur 60 days after the provider has received written notice of the pending action from the Director of the Department.

(Source: Renumbered from Section 357.11 and amended at 21 Ill. Reg. 13150, effective 10/1/12)

Section 357.130 Required Documentation

- a) Purchase of service providers are required to keep records which are

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detailed and accurate enough to document the reasons for a decision, the services spent, and the results. If the services are for personal goods, and services. Such required record keeping shall include but not be limited to:

- 1) establishment of financial record keeping which includes:
 - A) Cash Receipts Journal
 - B) Cash Disbursements Journal
 - C) General Journal
 - D) General Ledger
 - E) All cash disbursements and/or expenses must be fully supported by documentation, such as invoices, time sheets, time studies, or approved cost allocation plans.
- 2) establishment of programmatic compliance record keeping which includes:
 - A) Individual client files on each client applying for and receiving service;
 - B) Service referrals provided to each client which includes the date and time service was provided, and the agency's employee providing service.
- b) Purchase of service providers shall maintain individual client records for clients for whom services were purchased by the Department five years from the date services are terminated. Individual client records shall contain:
 - 1) the original referral from the Department or in the case of funded day care facilities the documentation of need for services if it was the provider's responsibility to gather it or if the Department submitted it to the provider;
 - 2) documentation which supports Title IV-E and XIX (42 CFR 431) eligibility determinations and redeterminations, as appropriate, if it was the provider's responsibility to gather it or if the Department submitted it to the provider;
 - 3) documentation which supports the Department's responsibility to gather it or if the Department submitted it to the provider;
 - 4) documentation of the service planning goals established when the case was opened and the changes made in the service planning goals as the client's needs changed;
 - 5) documentation of the child and family's progress or lack of progress toward achieving the service planning goals including the social service worker's or other responsible employee's reports and official records regarding the child and family's cooperation in meeting service planning goals;
 - 6) basic client social history data if it was the provider's responsibility to gather it or if the Department submitted it to the provider; and
 - 7) any other documentation specifically required in the purchase of services by the Department.
- c) Purchase of service providers shall maintain personnel records of all

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employees who provide direct or supportive services to Department clients. Personnel records shall be maintained on each employee for all employees. Personnel records shall be maintained on each employee for all employees. The following information shall be maintained:

- 1) proof of educational background including high school or college transcripts or a copy of the diploma or certificate if the employee has completed a training program, documentation of the employee's completion of the program;
- 2) detailed summary of the employee's work experience;
- 3) at a minimum, yearly employee performance evaluations;
- 4) payroll data including salary, accrued vacation and sick days, records of when vacation and sick days were taken, and travel expense records; and
- 5) documentation that a background check criminal-history-inquiry was completed for each employee in accordance with the Department's rule rulemaking, 89 Ill. Adm. Code 385, Background Checks 69-111-Adm-Code-3509-Background-Inquiry-For-Purchase--of-Service-Providers.

(Source: Renumbered from Section 357.12 and amended at 21 Ill. Reg. 13175, effective 10/1/10)

Section 357.140 Contract Termination

- a) The Department of Children and Family Services and the purchase of service provider reserve the right to terminate a purchase of service contract at any time upon provision of 30 days written notice to the other party. However, if either party fails to comply with the terms of the contract, the contract may be terminated by the other party effective upon the date of written notice of termination.
- b) The Department shall not be liable for payment for service provided under the contract termination date or after the last child for whom the Department is making payment is removed from the provider's care, which ever is later.
- c) The agency shall return to the Department all funds received from the contract which are in excess of actual cost of providing the contract services which were delivered before the contract was terminated.
- d) Any equipment exceeding \$300 market value at the time of purchase which was purchased completely with State or Federal funds that the Department administrators shall be returned to the State upon contract termination.

(Source: Renumbered from Section 357.13 at 21 Ill. Reg. 13175, effective 10/1/10)

HEALTH FACILITIES PLANNING BOARD

NOTICE OF ADOPTED RULE(S)

- 1) Heading of the Part: Practice and Procedure in Administrative Hearings
- 2) Code Citation: 77 Ill. Adm. Code 1180
- 3) Section Numbers: Adopted Action:
1180.95 New Section
- 4) Statutory Authority: Illinois Health Facilities Planning Act [20 ILCS 3960]

5) Effective Date of Rulemaking: September 19, 1997

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: September 15, 1997

9) Notice of Proposal Published in Illinois Register: March 21, 1997 at 21 Ill. Reg. 3565

10) Has JCAR issued a Statement of Objections to these rules? No

11) Difference(s) between proposal and final version: N/A

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? The Agency has made all the changes to which it agreed with the Joint Committee.

13) Will this rulemaking replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: Part 1180 contains the Health Facilities Planning Board's (State Board) rules regarding administrative hearing procedure. The Board is currently reviewing the rules and may be involved in an administrative hearing the opportunity to file a written motion (prior to commencement of a hearing) contesting that the hearing officer or administrative law judge has a bias or a conflict of interest. The new Section would be consistent with Section 10.30 of the Illinois Administrative Procedure Act.

16) Information and questions regarding these adopted rules shall be directed to:

Donald Jones
Health Facilities Planning Board
Division of Facilities Development

HEALTH FACILITIES PLANNING BOARD

NOTICE OF ADOPTED RULE(S)

525 West Jefferson, 2nd Floor
Springfield, IL 62761
217-782-3516

The full text of the Adopted Amendment(s)/Rule(s) begins on the next page:

HEALTH FACILITIES PLANNING BOARD

NOTICE OF ADOPTED RULE(S)

TITLE 77: PUBLIC HEALTH
CHAPTER 11: HEALTH FACILITIES
PLANNING BOARD
SUBCHAPTER 5: OTHER BOARD RULES

PART 1180

PRACTICE AND PROCEDURE IN ADMINISTRATIVE HEARINGS

Section	The Right to an Administrative Hearing: Rules Applicable to Such Hearings
1180.10	Definitions
1180.20	Waiver of Hearing
1180.30	Parties to Hearings
1180.40	Appearance - Right to Counsel
1180.50	Intervention
1180.60	Pleadings
1180.70	Amendments to Pleadings
1180.80	Motion
1180.90	Disqualification of Hearing Officer
1180.95	Form of Papers
1180.100	Service
1180.110	Conduct of Hearings
1180.120	Subpoenas
1180.130	Hearing Officer's Report and Final Decision
1180.140	Proposal for Decision
1180.150	Final Decision
1180.160	Records of Proceedings
1180.170	Miscellaneous
1180.180	Number of Copies of Pleadings to be Filed
1180.190	Applicability

AUTHORITY: Implementing Section 5-10(a)(1) and Article 10 of the Illinois Administrative Procedure Act [5 ILCS 100] and implementing Sections 10 and 11 and authorized by Section 12 of the Illinois Health Facilities Planning Act [20 ILCS 3960].

SOURCE: Filed December 19, 1975; rules repealed, new rules adopted by emergency action at 2 Ill. Reg. 51, p. 176, effective December 12, 1978, for a maximum of 150 days; adopted at 3 Ill. Reg. 12, p. 181, effective March 23, 1979; emergency amendment at 6 Ill. Reg. 6902, effective May 20, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 11595, effective September 9, 1982; codified at 8 Ill. Reg. 15482; recodified at 20 Ill. Reg. 2599; amended at 21 Ill. Reg. 13176, effective SEP 1 1987.

Section 1180.95 Disqualification of Hearing Officer

Prior to commencement of a hearing, on written motion of any party authorized by

HEALTH FACILITIES PLANNING BOARD

NOTICE OF ADOPTED RULE(S)

affidavit setting forth the facts upon which such motion is made, the hearing officer or administrative law judge who is the subject of a motion to disqualify shall review the motion and affidavit and shall issue his or her ruling on the motion. The hearing officer shall include a proposed ruling on the motion and the reasons therefor in his or her ruling. The hearing officer shall determine that there is no conflict of interest exists, that the hearing officer is not biased, and that the hearing officer is not otherwise disqualified. The hearing officer shall appoint a new hearing officer or administrative law judge within 30 days after the State Board's determination. An adverse ruling in and of itself, shall not constitute bias or conflict of interest. (Section 10-10 of the Illinois Administrative Procedure Act).

(Source: Added at 21 Ill. Reg. 13178, effective SEP 1 1987.)

ILLINOIS COMMERCE COMMISSION

NOTICE OF EMERGENCY RULES

1) Heading of the Part: Telecommunications Enforcement2) Code Citation: 83 Ill. Adm. Code 7663) Section Numbers:Emergency Action:

766.10 New Section

766.15 New Section

766.100 New Section

766.110 New Section

766.300 New Section

766.310 New Section

766.400 New Section

766.410 New Section

766.415 New Section

4) Statutory Authority: Implementing Sections 13-515 and 13-516, and Section 13-512 of the Public Utilities Act (220 ILCS 5/13-515, 13-516, and 13-512).5) Effective Date of Rules: September 11, 19976) If these emergency rules are to expire before the end of the 150-day period, please specify the date on which they are to expire: Not applicable7) Date Filed in Agency's Principal Office: September 10, 19978) Reason for Emergency: These rules are necessary to immediately implement the amendments to the Public Utilities Act (PUA) that became effective upon signing into law of P.A. 90-185 on July 23, 1997. In order for the amendments to become effective, the State of Illinois must utilize the added Sections of the PUA in a timely fashion. It is in the public interest to adopt these rules immediately.9) A Complete Description of the Subjects and Issues Involved: On July 23, 1997, the Governor signed into law P.A. 90-185, amending the Public Utilities Act (PUA), the Illinois Administrative Procedure Act, and the Illinois Antitrust Act. The Public Act adds Sections 13-514, 13-515, and 13-516, among others, to the PUA. The emergency rules implement these three Sections.

Section 13-514 lists specified actions that are considered to be per se impediments to the development of competition in the telecommunications marketplace. The Commission is not limited in any manner to the enumerated impediments and may consider other actions that impede competition to be prohibited.

Section 13-515 empowers the Commission to enforce the provisions of

ILLINOIS COMMERCE COMMISSION

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Section 13-514 of the PUA. This Section delineates the procedures to be followed by the Commission, the complainant, and the respondent in proceedings in which the Commission's Section 13-514 is utilized. Section 13-515(e) provides for granting of emergency relief in certain situations. There are time limits specified in Section 13-515 for actions by the Commission and the parties to an enforcement proceeding.

Section 13-516 authorizes the Commission to impose penalties for violation of orders entered pursuant to Section 13-515 of the PUA and directs the Commission to establish by rule procedures for the imposition of penalties.

Given the stringent time constraints in Section 13-515, the rules adopted on an emergency basis provide an opportunity for the parties and the Commission to waive these time limits pursuant to Section 13-515(a), which provides in relevant part:

Unless the Commission and the parties otherwise mutually agree, the Commission shall use the procedures set forth in this Section for the review of complaints relating to violations of Section 13-514.

The rules also specify filing requirements designed to provide the Commission with timely information on the positions of the parties so that the time limits, if not waived, can be met and allow the Commission to make an informed decision in the covered proceedings.

Subpart D of the rules covers the assessment of costs and the imposition of penalties. Section 13-515(g) requires the Commission to assess the parties the Commission's costs of investigation and conduct of the proceedings. The Commission's Administrative Services Division will issue assessments to the parties. The parties are required to proceed by the parties required to pay the assessment within 60 days after receiving notice of the assessment. The final portions of Subpart D treat the imposition of the penalties by delineating procedural matters and listing the factors that the Commission will consider in setting a penalty.

10) Are there any other Proposed amendments to this Part pending? No11) Statement of Statewide Policy Objectives: These emergency rules neither create nor expand any State mandate on units of local government, school districts, or community college districts.12) Information and questions regarding these rules shall be directed to:

Conrad S. Rubinkowski
Illinois General Counsel
Illinois Commerce Commission
527 East Capitol Avenue

ILLINOIS COMMERCE COMMISSION

NOTICE OF EMERGENCY RULES

P.O. Box 19280
Springfield, IL 62794-9280
(217) 554-3922
Tel: (217) 554-3922
Fax: (217) 554-9280

The full text of the Emergency Rules appears on the next page:

ILLINOIS COMMERCE COMMISSION

NOTICE OF EMERGENCY RULES

TITLE 83: ILLINOIS COMMERCE COMMISSION
CHAPTER 1: PUBLIC UTILITIES
SUBCHAPTER f: TELEPHONE UTILITIES

PART 766

TELECOMMUNICATIONS ENFORCEMENT

SUBPART A: APPLICABILITY AND PRELIMINARY PROCEDURES

Section
766.10 Applicability
EMERGENCY
766.15 Waiver of Time Limits
EMERGENCY

SUBPART B: EMERGENCY RELIEF PROCEDURES

Section
766.100 Waiver of Emergency Time Limits
EMERGENCY
766.110 Emergency Relief Filing Requirements
EMERGENCY

SUBPART C: PROCEDURE PRIOR TO ISSUANCE OF ORDER

Section
766.300 Filing of Briefs
EMERGENCY
766.310 Filing of Draft Orders
EMERGENCY

SUBPART D: ASSESSMENT OF COSTS AND IMPOSITION OF PENALTIES

Section
766.400 Assessment of Costs
EMERGENCY
766.410 Procedure for Imposition of Penalties
EMERGENCY
766.415 Factors in Assessing Penalties
EMERGENCY

AUTHORITY: Implementing Sections 13-515 and 13-516 and authorized by Section 13-512 of the Public Utilities Act (220 ILCS 5/13-515, 13-516, and 13-512).

SOURCE: Emergency rules adopted at 21 Ill. Reg. 13186, effective September 11, 1997, for a maximum of 150 days.

ILLINOIS COMMERCE COMMISSION

NOTICE OF EMERGENCY RULES

SUBPART A: APPLICABILITY AND PRELIMINARY PROCEDURES

Section 766.10 Applicability
EMERGENCY

This Part shall apply to all proceedings before the Illinois Commerce Commission (Commission) initiated by a complainant pursuant to Section 13-515 of the Public Utilities Act (Act) [220 ILCS 5/13-515].

Section 766.15 Waiver of Time Limits

EMERGENCY

- a) When a complainant files a complaint seeking relief pursuant to Section 13-515(d) of the Act, the complainant must indicate in the complaint whether it will agree to waive the time limit requirements in Section 13-515(d) of the Act for actions required by that subsection of the Act.
- b) A respondent served with a complaint seeking relief pursuant to Section 13-515(d) of the Act must notify the Commission and the complainant, within one day after receipt of the complaint, whether it will agree to waive the time limit requirements in Section 13-515(d) of the Act for actions required by that subsection of the Act. This notice shall be served in the manner dictated by Section 13-515(d)(4) for the service of answers and other responsive pleadings.
- c) The Commission will agree to waive the time limit requirements in Section 13-515(d) of the Act in all cases in which the complainant and respondent agree to waive said time limit requirements as prescribed in subsections (a) and (b) of this Section.

SUBPART B: EMERGENCY RELIEF PROCEDURES

Section 766.100 Waiver of Emergency Time Limits

EMERGENCY

- a) When a complainant files a complaint seeking emergency relief pursuant to Section 13-515(e) of the Act, the complainant must indicate in the complaint whether it will agree to waive the requirement that the decision of the hearing examiner or arbitrator to grant or deny emergency relief shall be considered an order of the Commission unless the Commission enters its own order within 2 calendar days after the decision of the hearing examiner or arbitrator.
- b) A respondent served with a complaint seeking emergency relief pursuant to Section 13-515(e) of the Act must notify the Commission and the complainant, either within 24 hours after receipt of the complaint when the complaint is filed before noon, or by noon on the next business day when the complaint is filed after noon, whether it will agree to waive the requirement that the decision of the hearing

ILLINOIS COMMERCE COMMISSION

NOTICE OF EMERGENCY RULES

examiner or arbitrator to grant or deny emergency relief shall be considered an order of the Commission unless the Commission enters its own order within 2 calendar days after the decision of the hearing examiner or arbitrator.

- c) In all cases in which the complainant and respondent agree to waive the requirement that the decision of the hearing examiner or arbitrator to grant or deny emergency relief shall be considered an order of the Commission unless the Commission enters its own order within 2 calendar days after the decision of the hearing examiner or arbitrator, the decision shall be considered the final order of the Commission unless the Commission enters its own order within 2 business days after the decision of the hearing examiner or arbitrator.

Section 766.110 Emergency Relief Filing Requirements

EMERGENCY

- a) Any party filing a complaint in which it seeks emergency relief under a draft order that complies with the requirements for an order that are set forth in Section 13-515(c) of the Act must submit a written affidavit that shall include an exhibit copy of a written notice submitted to the respondent pursuant to Section 13-515(c) of the Act, or, if no written notice was submitted, an affidavit attesting to compliance with Section 13-515(c) of the Act.
- b) Any respondent that has been served with a complaint in which the complainant is seeking emergency relief may file a draft order at any time prior to the issuance of an order by the hearing examiner or arbitrator granting or denying the emergency relief.

SUBPART C: PROCEDURE PRIOR TO ISSUANCE OF ORDER

Section 766.300 Filing of Briefs

EMERGENCY

To facilitate the issuance of an order as contemplated by Section 13-515(d)(7) of the Act, the complainant and the respondent shall file a brief and any reply brief in the proceeding according to the briefing schedule set by the hearing examiner. Each party shall serve in hand a copy of its brief on the opposing party or parties and Commission Staff at the time of the filing of the brief. If Staff files a brief in the proceeding, it shall follow the briefing schedule set by the hearing examiner.

Section 766.310 Filing of Draft Orders

EMERGENCY

Both the complainant and the respondent to a proceeding in which a brief is filed shall file a draft order in the proceeding at the time the party files

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its initial brief in the proceeding. If reply briefs are to be filed in a proceeding, the draft order may be filed at the time of the filing of the reply brief.

SUBPART D: ASSESSMENT OF COSTS AND IMPOSITION OF PENALTIES

Section 766.400 Assessment of Costs
EMERGENCY

The assessment of the Commission's costs of investigation and conduct of proceedings under this Part shall be issued to the parties by the Commission's Administrative Services Division.

Section 766.410 Procedure for Imposition of Penalties

EMERGENCY

- a) Any action to impose a penalty under Section 13-516(a) of the Act [220 ILCS 5/13-516(a)] shall be on the Commission's own motion.
- b) In any action to impose a penalty under Section 13-516(a) of the Act, the Commission shall serve notice on the respondent at least 7 days before the initial hearing.
- c) The conduct of the proceeding shall comply with the Commission's Rules of Practice (83 Ill. Adm. Code 200) including, but not limited to, the right to a hearing, the right to a proposed order, and the right to a written order.

Section 766.415 Factors in Assessing Penalties

EMERGENCY

In assessing a penalty authorized by Section 13-516 of the Act, factors to be considered by the Commission shall include, but not be limited to, the following factors:

- a) Lack of mitigating circumstances;
- b) Lack of good faith or intent;
- c) Ability to pay;
- d) Degree of harm to the complainant or the public and the extent of the violative conduct; and
- e) Financial benefit accruing to the respondent.

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

NOTICE OF EMERGENCY AMENDMENTS

1) Heading of the Part: The Administration and Operation of the State Employees' Retirement System of Illinois

2) Code Citation: 80 Ill. Adm. Code 1540

3) Section Numbers: Emergency Action:

1540.140 Amendment

1540.250 Amendment

1540.255 New Section

4) Statutory Authority: 40 ILCS 5/14-107, 14-118, 14-119, 14-120, 14-121, 14-133.1 and 14-135.03 and P.A. 90-448

5) The effective date of the rule: September 15, 1997

6) If this emergency rule is to expire before the end of the 150-day period (other than by means of adopting the rule through the regular rulemaking process), please specify the date: This rule will expire at the end of the 150-day period.

7) Date filed in agency's Primary office: September 12, 1997

8) The reason for the emergency: P.A. 90-448 was signed by Governor Edgar on August 16, 1997 and has an effective date upon his signature. The amendment to Section 1540.140 must be in place to allow for the certification of student status for children over the age of 18 and under the age of 22 who qualify for a widows or survivors benefit. The amendment to Section 1540.250 and new Section 1540.255 must be in place to allow sufficient time for members to make payments via payroll deductions that will be considered by the IRS on a pre-tax basis for the 1997 calendar year and prior to the effective date (January 1, 1998) of the flat formula legislation, P.A. 90-65.

9) A Complete Description of the Subjects and Issues Involved: P.A. 90-448 which was signed by Governor Edgar on August 16, 1997 changes the State Employees' Retirement System's widow and survivors benefit to allow payment to a child under the age of 22 who is a full-time student. Prior to P.A. 90-448 the widows and survivors benefit was terminated at age 18, regardless of the child's student status. Section 1540.140 "Removal of Children from Care of Surviving Spouse" has been amended to allow for the payment of this benefit.

P.A. 90-448 also amended the State Withholding Act and the Retirement Act to provide for a method so that contributions made to purchase optional credit or payment of prior refunds be made on a pre-tax basis. Section 1540.255 "Payment of Credit for Service for Which Contributions are Permitted" has been amended and Section 1540.255 "Pick-up Option for Optional Service Contributions"

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

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has been added so that procedures can be established to allow for these payments from State payrolls on a pre-tax basis.

- 10) Are there any other proposed amendments pending on this Part? No

- 11) Statement of Statewide Policy Objectives: None

- 12) Information on questions regarding this emergency rule shall be directed to:

Michael L. Mory
Executive Secretary
State Employees' Retirement System of Illinois
P.O. Box 19255 - 2101 South Veterans Parkway
Springfield, IL 62794-9255
217/785-7444

The full text of the Emergency Amendment being on the next page:

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

NOTICE OF EMERGENCY AMENDMENTS

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES

SUBTITLE D: RETIREMENT SYSTEMS

CHAPTER I: STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

PART 1540

THE ADMINISTRATION AND OPERATION OF THE

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

Section	Introduction
1540.5	Appointment of Retirement System Coordinator
1540.10	Member's Contribution and Service Credit
1540.20	Determination of Rate of Compensation
1540.30	Prior Service Credit
1540.40	Credit for Service for Which Contributions are Permitted
1540.50	Severance of Employment - A Condition to the Payment of a Refund or Retirement Annuity
1540.70	Death Benefits
1540.80	Disability Claims
1540.90	Benefit Offset
1540.100	Birth Date Verification
1540.110	Marriage Verification
1540.120	Level Income Option
1540.130	Pension Credit for Unused Sick Leave
1540.140	Removal of Children from Care of Surviving Spouse
EMERGENCY	
1540.150	Proof of Dependency
1540.160	Investigations of Benefit Recipients
1540.170	Interest on Member Contributions
1540.180	Date of Application - Retirement Annuity, Occupational and Nonoccupational and Temporary Disability Benefits, and Designation of Beneficiary
1540.190	Retard Payments
1540.200	Removal From the Payroll
1540.210	Latest Date of Membership
1540.220	Period for Payment and Amount of Payment of Contributions
1540.230	Contributions By the State (Repealed)
1540.240	Actuarially Funded Basis (Repealed)
1540.250	Payments to Establish Credit for Service for Which Contributions are Permitted

EMERGENCY
1540.255
EMERGENCY
1540.260
1540.270
1540.280
1540.290

Pick-up Option for Optional Service Contributions

Contributions and Service Credit During Nonwork Periods
Written Appeals and Hearings
Availability for Public Inspection (Recodified)
Procedure for Submission, Consideration and Disposition of Petitions
Seeking the Formulation, Amendment or Appeal of these Rules and

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

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- 1540.300 Regulations (Recodified)
 1540.310 Organization of the State Employees' Retirement System (Recodified)
 1540.320 Amendments
 1540.320 Optional Forms of Benefits - Basis of Computation
 1540.330 Board Elections
 1540.340 Excess Benefit Arrangement
- TABLE A
 Optional Forms of Benefits - Basis of Computation

AUTHORITY: Implementing and authorized by Article 14 of the Illinois Pension Code [40 ILCS 5/Art. 14].

SOURCE: Filed December 20, 1977, effective December 31, 1977; filed and effective February 29, 1978; emergency rule at 4 111. Reg. 2, page 246, effective January 1, 1980; amended at 4 111. Reg. 12, pages 530, 532, 534, effective March 11, 1980; emergency rule at 4 111. Reg. 46, page 46, effective March 11, 1980; amended at 4 111. Reg. 34, effective March 19, 1981; amended at 5 111. Reg. 7225, effective July 1, 1981; amended at 5 111. Reg. 12846, effective October 30, 1981; amended at 6 111. Reg. 2114, effective January 29, 1982; amended at 6 111. Reg. 5505, effective April 16, 1982; codified at 6 111. Reg. 10935; emergency amendment at 6 111. Reg. 11084, effective August 31, 1982, for a maximum of 150 days; amended at 7 111. Reg. 677, effective December 30, 1982; amended at 7 111. Reg. 8831, effective July 15, 1983; emergency amendment at 8 111. Reg. 359, effective January 1, 1984, for a maximum of 150 days; amended at 8 111. Reg. 4144, effective March 26, 1984; Sections 1540.280, 1540.290 and 1540.300 recodified to 2 111. Adm. Code 2375 at 8 111. Reg. 15902; amended at 9 111. Reg. 12375, effective July 30, 1985; emergency amendment at 9 111. Reg. 19752, effective December 5, 1985, for a maximum of 150 days; amended at 10 111. Reg. 8889, effective May 14, 1986; amended at 11 111. Reg. 11159, effective June 15, 1987; amended at 14 111. Reg. 26, effective July 30, 1987; amended at 15 111. Reg. 7397, effective April 26, 1991; amended at 16 111. Reg. 14407, effective September 1, 1992; amended at 20 111. Reg. 8033, effective June 15, 1996; emergency amendment at 21 111. Reg. 476, effective January 1, 1997, for a maximum of 150 days; amended at 21 111. Reg. 4992, effective April 1, 1997; emergency amendment at 21 111. Reg. 10181, effective September 15, 1997, for a maximum of 150 days.

Section 1540.140 Removal of Children from Care of Surviving Spouse

EMERGENCY

a) Children Under Age 18

If a spouse is receiving a widow's or survivors' annuity prior to age 50 because minor children of the member are under the care of the spouse and the children are legally removed by order of a court from the spouse's care, then the widow's annuity or survivors' annuity payable to the spouse shall be suspended until the spouse attains age 50; however, the spouse shall retain the right to receive the annuity if under the care of the legal guardian may continue to receive their portion of the survivors' benefit, based on their

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individual eligibility, widow's or survivors' annuity payments accepted by the spouse after the children have legally been removed by order of a court from the spouse's care will be considered benefit overpayments due to the System.

- b) 1) If under the case of the surviving spouse at attainment of age 18, children over age 18 and under age 22 and a full-time student will be presumed under the care of a surviving spouse during their period of eligibility, based upon a self-certification signed by the surviving spouse. However, the surviving spouse will not be considered as the natural guardian of the child.
 2) Application for benefits by or on behalf of a child over age 18 and under age 22 and a full-time student must be accompanied by a student certification. The certification must have the signature of the child and must represent that the child is attending school to be valid. A new certification must be submitted and approved by the System semi-annually after initial approval of the benefit.

(Source: Emergency amendment at 21 111. Reg. 18132, effective September 15, 1997, for a maximum of 150 days)

Section 1540.250 Payments to Establish Credit for Service for Which Contributions are Permitted

EMERGENCY

- a) If a member has received one or more contribution refunds from the System, that service credits previously refunded credit may be reinstated only after the two-year minimum service requirement has been satisfied. The member repays the amount of refund(s) previously received with the contributions and interest on the refund, either in a lump sum or installment payments by direct payment or payroll deduction. No payment may be applied to any period of service prior to a refund until that refund is paid in full. Service credit will be granted only when a stipulated refund, qualifying, short period or other type of permissive service credit as set forth in the Act is paid in full; except, in the event of death of the member partial service credit may be granted. Such partial service credit will be based on contributions and interest paid as of date of death.
 b) Under the installment option, interest will be calculated on the total amount of contributions for the stipulated period of service through the month of the date the member elects to complete payment. No installment option will be approved for payments of less than \$20.00 per payment or payroll deduction of less than \$10.00 per pay period. Interest on the contributions as described in Section 1540.255(a) shall be calculated on the contributions and interest as stipulated in the option. Interest will be calculated as a refund of contributions paid to the member. Provided such payment is received at least 2 months prior to the due date and is in excess of \$5.00.

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- c) If a member pays the contributions and interest due in full under the installment option, an interest rebate will be paid to reflect interest earned during the installment period. The rebate will be calculated based on regular interest as defined in the Retirement Act. The amount of rebate will be determined as of each June 30 preceding the date of payment in full, based on the total of the payments accumulated in the account at the beginning of each fiscal year. At the time of payment in full, the interest will be accumulated and the interest account will be paid to the member. The interest rebate will not be paid if the accumulation is less than \$5.00.
- d) Except in the case of contributions made through the pick-up option described in Section 1540.255, if a member elects to receive a retirement annuity, completes a revocation card or for some other reason elects not to complete his installment payment option, all monies paid by the member on such option will be refunded and no service credit granted.

(Source: Emergency amendment at 21 Ill. Reg. 13137, effective September 15, 1997, for a maximum of 150 days)

Section 1540.255 Pick-up Option For Optional Service Contributions

EMERGENCY

- a) "Member" as used in this Section means any person who is entitled to reinstatement last service credits previously refunded or purchase permissive service credits under the Act creating the State Employees' Retirement System of Illinois.
- b) A member choosing to make contributions for the reinstatement (purchase) of last service credits previously refunded or the purchase of permissive service credits shall have the option to have those contributions treated as either after-tax or before-tax (picked up) contributions. In order for contributions for the reinstatement of last service credits or purchase of permissive service credits to be considered as picked up (before-tax) contributions under Section 1540.255, the member must make an election to have the contributions considered as picked up (before-tax) contributions through the Controller's office by filing a copy of the election to the member's payroll officer. Any contributions for the purchase of last service credits or permissive service credits which are made directly by the member or when the payroll deduction election is not irrevocable will be considered as after-tax contributions (not picked up).
- c) The member wishing to make contributions for the purchase of last service credits previously refunded or permissive service credits shall have the following contribution options:
- The contributions may be made directly by the member in installments or by a lump sum payment and the contributions may be terminated by the member at any time.

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- 2) If the member is receiving compensation for personal services rendered on a warrant issued pursuant to a payroll voucher and which is drawn by the State Controller upon the State Treasurer, the contributions may be made by voluntary payroll deduction and the payroll deduction may be terminated by the member at any time or
- 3) If the member is receiving compensation for personal services rendered on a warrant issued pursuant to a payroll voucher drawn by the State Controller upon the State Treasurer, the contributions may be made by voluntary payroll deduction by which the member chooses to have the contributions picked up by the employer under the Code.
- Only the contribution method described in subsection (c)(3) will qualify the contributions as contributions picked up by the employer for Code purposes. Those members electing to make such contributions pursuant to subsection (c)(3) shall complete and sign an irrevocable authorization form provided by the State Employees' Retirement System (System). That form must be provided to both the System and the member's payroll officer.
- d) The irrevocable payroll deduction form must indicate:
- the total amount to be deducted;
 - the amount per pay period to be deducted; and
 - the total number of pay periods (one or more) over which the deduction is to be made.

- All payroll deduction payments must be completed no later than the final payroll payment made to the member in conjunction with the member's retirement or termination from employment. The payroll deduction form when executed must be on such terms as would result in the payment by the member's anticipated retirement date of the necessary amounts to purchase the permissive service credit or the service credits previously refunded. During the period of the irrevocable payroll deduction no voluntary payments will be accepted by the System from the member towards the purchase of last service credits or for the purchase of permissive service credits for which an irrevocable payroll deduction is in place. The amount to be withheld per pay period need not be the same amount for each pay period. The irrevocable payroll deduction election of the member shall remain in effect until the member's death or until the member shall remain in the payroll deductions as indicated in the form are completed:
- the death of the member;
 - the member is disabled from performing his/her services as an employee;
 - employment is terminated either voluntarily or involuntarily; or
 - the payroll deduction is 120 days delinquent, either in whole or in part.
- If an irrevocable payroll deduction becomes 120 days delinquent, either in whole or in part, the election of the member to have the contributions picked up will be cancelled and all contributions made

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by the member under the irrevocable payroll deduction shall be refunded to the member less the appropriate tax withholding. In the case of the death of a member, the irrevocable payroll deduction will terminate and the member's account will be treated as a service retirement account. The member's account will be treated as a service retirement account in the case of retirement termination of employment or disability of the employee, the member will have the choice of making an after-tax lump-sum payment in the amount of the balance due to complete the purchase of the service credits originally intended or, in the alternative, the amounts contributed to date under the irrevocable payroll deduction will be refunded, less appropriate tax withholding. Any such after-tax lump-sum payment must be made no later than 30 days after the member has been notified by the System of the amount of the lump-sum payment and the payment shall be deemed as having been made prior to the retirement of the member.

E) If an irrevocable payroll deduction becomes delinquent then the member may make up that delinquency by filing an amended or second irrevocable payroll deduction for the sole and only purpose of making the payments current within 30 days after the original delinquency. Payments must be made up within 30 days after the 120 days after the original delinquency will result in termination of the member's irrevocable election as provided for in subsection (e) of this Section. The right to make up a delinquency cannot be used for the purpose of amending or modifying the terms of the original irrevocable payroll deduction.

g) A member who is changing job positions but will still be employed by the State of Illinois may substitute an irrevocable payroll deduction in the new position for the irrevocable payroll deduction effective in the former position so long as the terms of the new payroll deduction are not changed, except to make up any delinquency resulting from a break in service between positions. In such a case the irrevocable payroll deduction election will not terminate as provided for in subsection (e)(4) of this Section unless the provisions of subsection (e)(5) of this Section would require termination of the election.

(Source: Added by emergency amendment at 21 Ill. Reg. 13194, effective September 15, 1997, for a maximum of 150 days)

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act
Citation: 20 ILCS 2515/1 et seq.

2. Summary of information:

Index of Department of Revenue income tax Private Letter Rulings and General Information Letters issued for the Second Quarter of 1997. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 86 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters do not contain general discussions of tax principles or applications. General information letters are assigned to taxpayers on the basis of background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act. (See 86 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Addition Modifications	Bond Premium Amortization
Dividends	Interest
Net Operating Loss	Zero Coupon Bonds
Other Rulings (Not Included Above)	Administrative Review
Allocation	(For Alternative Apportionment Rulings, See That Heading)
Amnesty	Alternative Apportionment
Apportionment	Financial Organizations
Insurance Companies	Payroll Factor

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 Sales Factor
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 Books and Records
 Bulk Sales: See Sales Outside the Ordinary Course of Business (Bulk Sales)
 Business Income
 Capital Gains (Losses)
 Check Off Funds
 Circuit Breaker
 Claims for Refund: See Refunds
 Collection
 Combined Unitary Return
 Compensation
 Composite Returns
 Confidentiality
 Credits
 Coal Research and Utilization
 Credit for Replacement Tax Paid
 Credit for Residential Real Property Taxes
 Enterprise Zone Investment
 Foreign Tax
 High Impact Business Investment
 Jobs Tax
 Replacement Tax Investment
 Research and Development
 Return Preparation
 Other Rulings (Not Included Above)
 Definitions
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 Elections: See Combined Unitary Return, Extensions, Unitary Enterprise Zones
 (Also See Credits, Subtraction Modifications)
 Erroneous Refund: See Refunds
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 Exempt Organizations
 Exemptions

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Extensions
 Failure to File: See Penalties
 Failure to Pay: See Penalties
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 Farmers: See Estimated Tax
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 Financial Organizations: See Apportionment
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 Foreign Sales Corporations (FSC's)
 Foreign Tax: See Credits
 Foreign Trade Zones: See Subtraction Modifications, Credits--Jobs Tax Forms
 Fraud: See Penalties
 Fringe Benefits
 IRC Sec. 125 "Cafeteria" Plans
 IRC Sec. 401(k) Plans
 Other Rulings (Not Included Above)
 Gain (Loss): See Capital Gains (Losses), Valuation Limitation
 Information Reports
 Insurance Companies: See Apportionment
 Interest
 (Also See Addition Modifications, Subtraction Modifications)
 Interest on Refunds and Deficiencies
 IRC Sec. 138
 Jeopardy: See Assessment
 Judicial Review
 Liens
 Limited Liability Companies
 Lottery
 Military
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 Miscellaneous
 Modification Addition: See Addition Modifications
 Modification Subtraction: See Subtraction Modifications
 Mutual Fund: See Addition Modifications
 Net Income (Loss) and Net Loss Deduction (ITRA Sec. 207)
 (Also See Base Income, Capital Gains (Losses), Combined Unitary Return, Net Operating Loss and Net Operating Loss Deduction, Unitary)
 Net Operating Loss and Net Operating Loss Deduction
 Nexus: See Public Law 86-272/Nexus
 Nonbusiness Income
 Nonresidents: See Residency/Nonresidency
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 Notices
 Nuclear Decommissioning Trusts
 Overpayments: See Refunds (Also See Estimated Tax)

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 Failure to Pay Estimated Tax (IITA Sec. 804)
 Fraud (IITA Sec. 1002)
 Reasonable Cause (IITA Sec. 1001)
 Underpayment of Tax (IITA Sec. 1005)
 Other Rulings (Not Included Above)

Pensions
 (Also See Subtraction Modifications)
 Political Organizations
 Professional Athletes
 Property Factor: See Apportionment
 Property Tax: See Subtraction Modifications
 Public Law 86-772/Nexus
 Rate of Tax
 Real Estate Investment Trusts
 Reasonable Cause: See Penalties
 Refunds (Also See Subtraction Modifications)
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 Other Rulings (Not Included Above)
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 Replacement Tax
 (Also See Credits)
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 S Corporations
 Sales Factor: See Apportionment
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 Taxability in Other States
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 Transferees (Also See Sales Outside the Ordinary Course of Business (Bulk Sales))
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 Trusts
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 Unitary (Also - See Combined Unitary Return)
 U.S. Government Obligations: See Subtraction Modifications
 Valuation Limitation: See Subtraction Modification
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 Waiver on Assessments: See Assessment
 Withholding
 Employees' Benefits
 Exemptions
 Personal Services Contracts (IITA Sec. 1405.2)
 Reciprocal Agreements
 Other Rulings (Not Included Above)

Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50 cents per page for each page over one. Copies of the ruling letters maybe downloaded free of charge from the Department's World Wide web site at www.revenue.state.il.us.

The indexes of Income Tax letter rulings for 1990 through 1996 are available for \$3.00 each. A cumulative Income Tax Sunshine Index of 1991 through 1999 letter rulings may be purchased for \$4.00.

3. Name and address of person to contact concerning this information:

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

Margaret Forth
Legal Services Office
101 West Jefferson Street
Springfield, Illinois 62794
Telephone: (217) 782-6996

NOTICE OF PUBLIC INFORMATION

1996 FOURTH QUARTER SUNSHINE INDEX

ALLOCATION

IT 97-0032-GIL 04/02/1997 General Information Letter:
Nonresidents who have gambling winnings on
Illinois riverboats are not subject to Illinois
income taxation on those winnings.

ALTERNATIVE APPOINTMENT

IT 97-0052-GIL 06/04/1997 General Information Letter:
Explanation of the requirements for the filing of
a petition for alternative apportionment.

IT 97-0015-PLR 06/26/1997 Private Letter Ruling: Petition
for alternative apportionment is granted.

BASE INCOME

IT 97-0040-GIL 04/21/1997 General Information Letter: The
starting point for determining Illinois base
income is an individual's federal adjusted gross
income.

IT 97-0053-GIL 06/10/1997 General Information Letter:
Discussion of the extent to which foreign income
exclusion would affect Illinois income taxation of
various types of income earned by an Illinois
resident who is currently living abroad.

IT 97-0056-GIL 06/27/1997 General Information Letter:
Section 304(a) of the Illinois Income Tax Act
provides that business income derived solely from
this State is allocated entirely to this state.

COLLECTION

IT 97-0039-GIL 04/21/1997 General Information Letter:
Pursuant to Section 901(a) of the Illinois Income
Tax Act, the Department is authorized to collect
the taxes imposed by the Act.

COMPENSATION

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IT 97-0050-GIL 06/04/1997 General Information Letter: Section 302(a) provides that "all items of compensation paid in this State (as determined under Section 304(a)(2)(b)) to an individual who is considered an employee of the taxpayer and all items of deduction directly allocable thereto, shall be allocated to this State."

CREDITS - FOREIGN TAX

IT 97-0011-PIR 04/11/1997 Private Letter Ruling: Based on the representations made in the request for ruling, the partners and beneficiaries are entitled to a foreign tax credit, subject to the limitation on the allowable amount of the "aggregate credit" imposed in the second sentence of IITA Section 601(b)(3).

IT 97-0012-PIR 04/23/1997 Private Letter Ruling: Based on the representations made in the request for ruling, the partners and beneficiaries are entitled to a foreign tax credit, subject to the limitation on the allowable amount of the "aggregate credit" imposed in the second sentence of IITA Section 601(b)(3).

IT 97-0049-GIL 06/03/1997 General Information Letter: Response to an annual survey on the Illinois foreign tax credit.

EXEMPT ORGANIZATIONS

IT 97-0038-GIL 04/11/1997 General Information Letter: Pursuant to Section 205(a) of the Illinois Income Tax Act, an organization that is exempt from Federal income tax by reason of Section 501(a) of the Internal Revenue Code is also exempt from Illinois income taxation unless it has unrelated business taxable income as defined in Section 512 of the Internal Revenue Code.

INFORMATION REPORTS

IT 97-0051-GIL 06/04/1997 General Information Letter: P.A. 89-399, effective August 20, 1996, amended the

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Illinois Income Tax Act to eliminate the requirement to file information returns formerly required under IITA Sections 1405.1, 1405.2, and 1405.3. From that date, the reporting party is required to maintain a record of all information returns and to submit a record of qualifying payments and a report which is available for review by the Department.

MEDICAL CARE SAVINGS ACCOUNTS

IT 97-0031-GIL 04/01/1997 General Information Letter: Response to a request for a general information comparing and contrasting Illinois Medical Care Savings Accounts and Federal Medical Savings Accounts.

MISCELLANEOUS

IT 97-0048-GIL 05/29/1997 General Information Letter: Response to complaints from a taxpayer concerning California sales and income taxation of his business.

IT 97-0054-GIL 06/13/1997 General Information Letter: Taxpayer should contact the Business Services Department of the Illinois Secretary of State for information concerning the requirements of the corporate franchise tax.

NET INCOME (LOSS) AND NET LOSS DEDUCTION (IITA SECTION 207)

IT 97-0019-PIR 05/19/1997 Private Letter Ruling: Taxpayer must compute its Illinois net income by starting with its federal taxable income.

NET OPERATING LOSS AND NET OPERATING LOSS DEDUCTION

IT 97-0033-GIL 04/02/1997 General Information Letter: General discussion of carryovers of Illinois net losses incurred by Subchapter S corporations.

PARTNERSHIPS

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IT 97-0034-GIL 04/03/1997 General Information Letter: For federal income tax purposes, an investment club is considered a partnership. However, pursuant to Section 761(a)(1) of the Internal Revenue Code an unincorporated organization used for investment purposes only, and not for the active conduct of a business, may opt out of partnership treatment in whole or in part, at the election of all of its members.

IT 97-0035-GIL 04/03/1997 General Information Letter: For federal income tax purposes, an investment club is considered a partnership. However, pursuant to Section 761(a)(1) of the Internal Revenue Code an unincorporated organization used for investment purposes only, and not for the active conduct of a trade or business may opt out of partnership treatment in whole or in part, at the election of all of its members.

PUBLIC LAW 86-272/NEXUS

IT 97-0047-GIL 05/29/1997 General Information Letter: Whether an entity's activities constitute "doing business" in Illinois is an extremely fact-specific determination which can only be made during a review of all the surrounding facts by a Department auditor.

IT 97-0055-GIL 06/23/1997 General Information Letter: General discussion of income tax nexus issues.

REFUNDS

IT 97-0036-GIL 04/09/1997 General Information Letter: The information taxpayer received from the Department's Adjustment Division is correct. Taxpayer is not entitled to a refund under the circumstances described.

RESIDENCY/NONRESIDENCY

IT 97-0042-GIL 04/24/1997 General Information Letter: For purposes of Illinois income taxation, the term "resident" is defined to mean an individual who is

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in Illinois for other than a temporary or transitory purpose during the taxable year or who is domiciled in Illinois but is absent from Illinois for a temporary or transitory purpose during the taxable year (See IITA Section 1301(a)(20)).

RETURNS - REQUIREMENTS TO FILE

IT 97-0046-GIL 05/19/1997 General Information Letter: Generally, pursuant to the Section 502(c)(3) of the Illinois Income Tax Act, if one spouse is an Illinois resident and the other spouse is a nonresident, the resident spouse may file a separate return in Illinois.

S CORPORATIONS

IT 97-0041-GIL 04/23/1997 General Information Letter: Pursuant to Section 1361(b)(3) of the Internal Revenue Code, a qualifying Subchapter S subsidiary is not a separate corporation, but rather is defined to be a part of its parent Subchapter S corporation for all purposes of the Internal Revenue Code. Because this definition is expressly adopted by the IITA, a QSSS is not a separate corporation for Illinois income tax purposes.

SUBTRACTION MODIFICATIONS - ENTERPRISE AND FOREIGN TRADE ZONES

IT 97-0010-PIR 04/04/1997 Private Letter Rulings: So long as the taxpayer is able to document the dividends presented in the ruling request, the dividends paid by taxpayer since January 1, 1997 would qualify for the Enterprise Zone dividend subtraction.

SUBTRACTION MODIFICATIONS - OTHER RULINGS

IT 97-0037-GIL 04/10/1997 General Information Letter: Income from state and local obligations is not exempt from Illinois income taxation except where authorizing legislation adopted after August 1,

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1969 specifically provides for an exemption.

IT 97-0057-GIL 06/26/1997 General Information Letter:
Interest from state or municipal bonds is not
Illinois tax exempt unless the interest is derived
from one of the bonds listed in 86 Ill. Adm. Code
100.2470(f).

IT 97-0014-PLR 06/26/1997 Private Letter Ruling: The term
"entity" subject to the Personal Property Tax
Replacement Income Tax, Section 203(d)(2)(i) of the
IITA, must be construed to include all corporations,
partnerships and trusts except those entities
expressly exempted from Personal Property Tax
Replacement Income Tax by an express provision
of the IITA. Under the terms of the IITA, a
nuclear decommissioning trust is subject to
Personal Property Tax Replacement Income Tax.
Because the Company's nuclear decommissioning
trusts are subject to Personal Property Tax
Replacement Income Tax, any partnership which is
deemed created because of the pooling of assets of
those trusts will be allowed a deduction in
computing its income subject the Personal Property
Tax Replacement Income Tax for amounts of income
attributable to the nuclear decommissioning
trusts.

TRUSTS

IT 97-0043-GIL 04/28/1997 General Information Letter:
Response to a request for information concerning
residency of a trust.

IT 97-0045-GIL 04/30/1997 General Information Letter:
Discussion of IITA Section 601(b)(4).

WITHHOLDING - RECIPROCAL AGREEMENTS

IT 97-0044-GIL 04/30/1997 General Information Letter:
Pursuant to Section 701(d) of the Illinois Income
Tax Act, the Director of the Department of Revenue
may enter into agreements with the taxing
authorities of other states which impose a tax
measured by income to provide that compensation
paid in Illinois to residents of other states

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shall be exempt from withholding in Illinois.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the period of September 9, 1997, through September 15, 1997 and have been recommended for review by the Committee at its September 15, 1997 or September 21, 1997 meeting. The Committee will consider any comments on this published list and also be considered. Members of the public wishing to express their views with respect to a rule should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

Second Notice Expires	Agency and Rule	Start of First Notice	JOAR Meeting
10/23/97	Department of Public Aid, Hospital Services (89 Ill Admin Code 148)	7/25/97	9/16/97
		21 Ill Reg 9712	
10/26/97	Department of State Police, Sample Collection for Genetic Marker Indexing (20 Ill Admin Code 1285)	5/2/97	10/21/97
		21 Ill Reg 5469	

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ISSUES INDEX

September 26, 1997

Rules acted upon during the quarter of April 1 through June 30, 1997 (Issues 17-29) are listed in the Issues Index by Title number and rule number. For example, Issue 19, Administrative Code 101 published in the 1997 Affected Index and Cumulative Index will be published in Issue 29 (July 15); Issue 42 (October 17); and Issue 3 (January 16, 1998). Inquiries about the Issues Index may be directed to the Administrative Code Division at 217-782-4414 or jrules@sgate.sos.state.il.us (Internet address).

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